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NEWS SUMMARY

GENERAL

Row as new poll is called in India

India's President Sanjiva Reddy dissolved the Lower House (Lok Sabha) of Parliament and ordered fresh elections—probably in late November or early December.

U.S. backs down on Palestinians

The U.S. has abandoned plans to submit its own compromise resolution supporting Palestinian rights in the Security Council debate expected to open in New York today, said U.S. Middle East envoy Robert Strauss.

Rhodes flight

Dr. Eschel Rhoodie, former head of the South African Information Department and one of the men at the heart of the "Mudgerate" scandal, was expected to arrive at Johannesburg today after being flown back under guard from Paris.

2-nation link off

Iraq was reported to have dropped all plans for union with Syria after charges were made of a Damascus involvement in last month's unsuccessful conspiracy to unseat Iraqi President Saddam Hussein.

\$1m jail scheme

The Government is to spend £1m over three years to improve conditions at Scotland's high security Peterhead jail, where prisoners are continuing a rooftop protest demonstration.

Poison victim

A woman died in a hospital at Sandwell, West Midlands, where there has been an outbreak of suspected salmonella poisoning. This brings to nine the number of people who have died in the last month in seven separate food poisoning outbreaks—six in hospitals.

Gillette finalists

Somerset will play Northants in the final of the Gillette Cup at Lord's next month. Somerset beat Middlesex by seven wickets and Northants beat Sussex by 87 runs.

Two flown back

Two brothers wanted for questioning in connection with the murder of Surrey water board official John George and two armed raids were flown back to Britain from France. John and Jason Richards were taken to Godalming police station, Surrey.

Briefly

Hundreds of Birmingham homes were blacked out after a man climbed a pylon and touched an 11,000-volt cable, receiving severe burns. Four masked men escaped with more than £50,000 in a raid on a sorting office at Aylesbury, Bucks.

BUSINESS

Sterling firm; Silver up 15.9p

STERLING rose 80 points on the day to close at \$2,218.5 and its trade-weighted index advanced to 70.8 (70.6).

GOLD closed \$87 up in London at \$309.1.

SILVER rose sharply following the surge in gold, the London bullion market spot



quotation lifting 15.9p, to \$28.95 an ounce.

EQUITIES: Interest continued to be stifled by uncertainty about the UK economic outlook but some leaders edged higher and the FT 30 share index closed 1.2 up at 4632.

GILTS: In uninspiring trade, high-coupon issues saw prices extending to 3 and short-gated stocks closed fractionally lower.

WALL STREET was up 0.08 at 886.09 just before the close.

NATIONAL ENTERPRISE Board has been given Government permission to go ahead with one of its largest-ever investment projects to save Rolls-Royce from having to buy foreign-made titanium.

BOC gases division shop stewards have fixed a claim for a 25% across the board increase on basic rates.

VOLKSWAGEN, the West German car maker, reports first-half net profit up 13 per cent at DM 800m (£74.1m) compared with DM 268m previously, on sales worth DM 15,268m (DM 13.79bn).

CRUDE OIL exports from Iran are being hampered by high winds, which make loading difficult. Shipments have fallen below 1m barrels a day, about one-third of the export rate earlier this month.

IMPORT controls designed to protect the UK textile industry from cheap foreign goods will mean dearer clothes, especially children's wear, and will restrict choice, the Consumers' Association says.

BRITISH STEEL Corporation's first quarter results are expected to show a loss of around £70m from April to June compared with last year's average quarterly losses of £80m.

BAT Industries plans to buy out Imperial Group's 50 per cent stake in the jointly owned Mardon Packaging International, a move that will end a 77-year association between the two diversified British tobacco companies.

LONDON BRICK Company's taxable profits were more than halved in the six months to June 30, from £6.72m to £3.1m.

Table of price changes for various commodities and stocks, including RISES, FALLS, and a list of specific items like Allied Irish Banks, Anglo Petroleum, etc.

TUC rejects all Prior's proposals on union reforms

BY CHRISTIAN TYLER, LABOUR EDITOR

Talks between the Government and the TUC about legal curbs on trade union behaviour reached virtual deadlock yesterday. The TUC rejected the whole package of union reforms put forward by the Government, and said there could be no negotiation or compromise.

Mr. James Prior, Employment Secretary, confirmed that he would legislate this autumn, with or without the agreement of the unions.

In spite of the deadlock both sides said the dialogue would continue. Mr. Prior, after meeting members of the TUC employment policy committee, was very doubtful that the TUC would relax its "disappointing" hard line, but said he could not rule out a change of heart.

Mr. Len Murray, TUC general secretary, said the unions would not give up trying to deflect the Government from legislating.

Asked whether there was any alternative to a confrontation between unions and Government, both refused to discuss the word. Mr. Prior said there were many different ways of disagreeing.

"I hope very much that the disagreement that I expect to happen will be a disagreement in rational and reasonable terms, but that co-operation will continue in all other respects."

It now looks unlikely that the Trades Union Congress will pull its leaders out of the talks, or that motions to that effect will even reach the agenda.

Poland freezes £600m deal with West Germany

BY ROGER BOYES IN BONN AND CHRISTOPHER BOBINSKI IN WARSAW

POLAND has decided to freeze plans for a DM 2.5bn (£600m) coal gasification project with West Germany. The deal, agreed four years ago, was the largest ever between the two countries.

Behind the decision are believed to be Poland's worries about the extent of its debt with the West—now estimated at U.S.\$1.5bn (£6.8bn).

The scheme had been seen as the cornerstone of West German trade with Eastern Europe—a positive sign that Ostpolitik, the policy of conciliation towards the Soviet bloc, was paying.

The negotiations now going on between Krupp-Koppers and Polish ministries and agencies over a reformed version of the deal are expected to provide for a smaller gasification plant as a "pilot" project and the delivery of coal extraction technology.

Krupp is expected to salvage as much as possible from the scheme. Its long experience in dealing with Poland has already yielded substantial sales—in 1977 and 1978 they amounted to about DM 800m a year.

Grand Met in French deal

BY JAMES BARTHOLOMEW IN LONDON AND ROBERT MAUTHNER IN PARIS

GRAND METROPOLITAN, the hotel, brewing, entertainment and dairy products group, is to buy a substantial majority interest in a French public company owning three first class Parisian hotels and the famous Cafe de la Paix.

The purchase would mean that most of the French capital's top hotels would be come British-owned.

Grand Metropolitan already has the Lotti as well as another hotel in a lower category, Trust Houses Forte, Britain's largest hotel business, owns three top class hotels—the George V, the Plaza Athene and the Tremoille.

If the deal is completed, Grand Metropolitan's holding will be in Societe Nouvelle du

come British-owned. Grand Metropolitan already has the Lotti as well as another hotel in a lower category, Trust Houses Forte, Britain's largest hotel business, owns three top class hotels—the George V, the Plaza Athene and the Tremoille.

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Gold at record \$309

GOLD SOARED to a record price of \$312 an ounce yesterday before easing to \$309.375 for a net rise on the day of \$6.73.

The London market opened strongly after the result of the latest U.S. Treasury monthly auction became known.

At the auction the West German Dresdner Bank acquired 720,000 ozs for a total cost of \$317m.

The average bid price was \$301.08 and Dresdner Bank took 96 per cent of the 750,000 ozs of gold on offer.

The strength of the bidding revived rumours that the

mining news, page 19 Money Markets, page 22 Lex, Back Page

bidders were acting on behalf of Middle East oil interests switching from U.S. dollars into gold.

Mr. Prior defended his reforms as a necessary adjunct to the voluntary code the TUC was

preparing.

It was thought that if President Carter was re-elected, his Administration's policies would lead to higher gold prices.

Some chart followers also believed that an important "chart point" had been breached to signal a further move forward in the bullion price.

The market in South African gold shares, which has been adopting a wait-and-see attitude during the recent uncertain course of the bullion price, moved up under the impact of overnight U.S. buying.

Support from London and other centres soon developed and prices closed with most of the earlier gains intact; there was little profit-taking.

The Gold Mines index was 10.3 up at 150.8, its highest since June 25, while the index in its premium form advanced 9.1 to 162.4.

Banks back Chrysler Financial

BY STEWART FLEMING IN NEW YORK

ALMOST 250 commercial banks have provided Chrysler Financial, the financing subsidiary of the troubled Chrysler Corporation, with more than \$1bn in short-term credits in recent months.

The loans have been made to help the company over its increasing difficulty in raising finance in the \$100bn U.S. commercial paper market.

The support for Chrysler Financial does not amount to a dramatic improvement in the parent company's finances. It does, however, prevent a serious situation from deteriorating rapidly.

The difficulties in raising money experienced by Chrysler Financial as a result of its parent company's crisis might have worsened Chrysler Corporation's predicament.

Emphasising the continued need for support for the latter, President Carter said yesterday in Iowa that any U.S. aid to Chrysler should be a minimum, with "maximum security for any loans or guarantees."

The bankers' decisions to supply those credits has ensured that the difficulties faced by the financial arm as a result of the Chrysler crisis did not deteriorate into a crisis of confidence in the commercial paper market as a whole.

The banks lent the funds under individual short-term credit agreements. They are holding discussions aimed at a more formal relationship involving committed short-term loans under a formal loan agreement encompassing fewer of the banks. That would replace the agreements Chrysler Financial had with each bank.

A factor behind the heavy bank support will have been the unconsolidated subsidiary's excellent financial condition. It supplies finance to Chrysler dealers and customers.

Chrysler Financial officials estimate that the company's total of outstanding commercial paper has fallen from about \$1.6bn in March to \$400m.

Smith for London talks

BY TONY HAWKINS IN SALISBURY AND JAMES BUXTON IN LONDON

MR. IAN SMITH, the former Prime Minister of Rhodesia, will be one of two whites in the 12-man Zimbabwe Rhodesia delegation to the Constitutional Conference in London next month.

Bishop Abel Muzorewa, the Rhodesian Prime Minister, announced the delegation's composition to Parliament in Salisbury yesterday. He said majority voting would determine the decisions of the delegation so that the 10 black members would be able to out-vote the whites.

Mr. Smith, now Minister without Portfolio in Bishop Muzorewa's bi-racial coalition Government, will have legal immunity against arrest while in Britain. This will be secured by the signing of an Order in Council by Lord Carrington, the Foreign Secretary.

The Foreign Office regards the delegation as broadly representative. Officials insist that no attempt was made to influence the composition of the delegations to the conference.

Mr. Robert Mugabe and Mr. Joshua Nkomo, the Patriotic Front guerrilla leaders, have said they will attend.

Four political parties in Zimbabwe (Continued on Back Page)



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Table of Contents listing various news items and their page numbers, such as Middle East: the confusion in United States policy, Economic Viewpoint, etc.

EUROPEAN NEWS

Berlinguer feeds fires of conflict on the Left

BY PAUL BETTS IN ROME

THE ITALIAN Communist leader, Sig. Enrico Berlinguer, has fuelled the conflict among left-wing forces by confirming for the second time in barely a week his party's pursuit of the so-called "historic compromise."

Only through such a policy, he maintains, can socialism evolve in the context of freedom and democracy in Italy and Europe.

but also the continuing rejection by the Christian Democrats of any collaboration with the Communists which would see them directly represented in Government.



Dr. Eschele Rhodie protesting innocence.

Spanish Ford and unions set for trial of strength

BY ROBERT GRAHAM IN MADRID

FORD, one of the first big companies to resume production in Spain after the summer break, has immediately run into industrial unrest.

In a series of meetings at Ford's Almassara plant near Valencia, workers agreed to continue their policy of "non-cooperation."

This policy has been employed since the beginning of acrimonious negotiations on a new pay and work conditions agreement in February.

As a result, production of 32,000 units has been lost in the first eight months—almost 12 per cent of projected annual output.

The Ford management believes it has been singled out by the Spanish unions. However, since the Almassara plant started up in 1976, management has taken a tough line with its 10,200-man workforce.

So far some 52 workers have been sacked, including at least 30 this year.

Earlier this year, a hunger strike by 13 sacked workers failed. The latest tactic is a refusal to work by the works council to recognise the management of Ford España as a viable negotiating body.

The Transport Ministry said the Small Road Hauliers Association, which had called the strike, accounted for under 2 per cent of the country's trucking fleet.

But management and unions protest against the dismissal of small operators and their freight tariffs are unrealistically low.

Italian holidays closing in strike confusion

BY OUR ROME STAFF

THE LONG summer holidays in Italy have ended in scenes of havoc and undignified confusion as a result of a series of strikes that have stranded tourists and visitors on Italian islands and now threaten rail services.

Although the ferry boat strike ended yesterday after three days of chaos, Italalps and tourists face further transport difficulties next week following the decision of some unions to disrupt rail services.

In the last 48 hours of the ferry strike, the authorities had to call in the Italian navy and air force to pick up tourists

stranded in Sardinia and other islands.

At some ports, violence erupted following the angry protests by exasperated travellers who had run out of money and patience.

Like the forthcoming rail strikes, disruption in ferry services was provoked by "non-aligned" union members who are challenging Italy's official trade union movement.

The three main labour confederations have condemned the non-aligned unions' activities.

Strikes by these unions in the transport services have become a feature of the end of the Italian holiday season, which this year is expected to break all records.

Non-aligned union members are demanding changes in Italy's wage indexation mechanism.

In view of the public outcry that has followed their latest strikes, the judicial authorities warned members they could face arrest on charges of mis-

Rhodie's extradition 'imminent'

By Our Paris Staff

DR. ESCHÉLE RHODIE, former Secretary for Information in South Africa, is expected in South Africa shortly, after being extradited from France.

French authorities would not confirm the extradition order, but South Africa said all the necessary documents had been signed.

The fugitive official, arrested last month, was transferred yesterday from a prison near Marseilles to Fresnes, close to Orly airport, Paris, apparently in preparation for being flown home.

Quentin Peel adds from Johannesburg: Dr. Rhodie's extradition is likely to result in one of the most sensational trials in South African legal history.

He will be charged on seven counts of theft and/or fraud involving more than R33,000 (£45,000) of funds supposed to be used for secret projects to buy or win South Africa international support.

Dr. Rhodie has protested his innocence of any corruption, insisting that all his transactions related to the secret projects of his department.

The scandal surrounding his secret operations has already resulted in the resignation and disgrace of Dr. Connie Mulder, the former Information Minister, and Mr. John Vorster, the former Prime Minister and state President.

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Repeating his recent, much quoted dictum that he would be "ready to form an alliance with the devil," M. Marchais said the Communists sought common action with any forces that would not consent to compromise or the creation of false illusions.

He reminded M. Mitterrand that the Communists still blamed him for the collapse of the Left's joint platform at last year's General Election.

A cool Communist response to M. Mitterrand's latest initiative was already taken for granted, particularly at a time when the Communists have been seeking to be the first to exploit a deteriorating economic situation in order to reinforce their shop-floor support.

French rail traffic was seriously disrupted yesterday on the first day of a 48-hour strike over drivers' staffing levels and working conditions.

Only about one in five main line and suburban trains was running from Paris yesterday.

M. Joel Le Theule, Transport Minister, said the two-day stoppage would cost the SNCF, the nationalised railway company, about Ffr 100m.

This would completely wipe out the surplus of receipts over original forecasts, built up by French railways this year, if any more stoppages occurred on the railways, the SNCF would again face a growing deficit.

BP makes find off Ireland

By Ray Dafer, Energy Editor

BRITISH PETROLEUM has discovered hydrocarbons—oil or gas—off the west coast of Ireland.

The company was yesterday conducting tests in an exploration well drilled on block 26/28 in the Porcupine Trough about 180 miles west of Galway.

BP, as operator of a seven-company exploration group, refused to comment on the find's significance.

However, the find is bound to raise oil industry hopes of opening up a new oil producing sector in the Porcupine Trough where the geological signs are encouraging.

Phillips has already made a small discovery in the area. In October the group announced that it had tested oil at a flow rate of 730 barrels a day in an exploration well sunk on block 35/8.

It was the first concentrating oil strike in a 20-year search around Ireland.

Earlier this month, it was learned that Chevron Oil had completed a well on block 35/11 without finding hydrocarbons of commercial significance.

Within an hour of the takeover, Spain recognised the new Government.

Mr. Marcelino Oreja, the Spanish Foreign Minister, took time off while accompanying Premier Adolfo Suarez on a visit to Brazil to make a special statement.

The head of the Foreign Ministry's African department, who happened to be in neighbouring Cameroon the day before the coup, saw the country's new ruler the day afterwards.

And five days later the number two in the Spanish Foreign Ministry was leading a delegation to the former colony.

The Equatorial Guinea affair is an example of how the Spanish Government has begun to realise that foreign policy can be exploited in domestic politics—in particular to divert attention from unpleasant news of home.

Another example was the extensive media coverage here of Sr. Suarez's nine-day visit to Brazil, Ecuador and Santo Domingo earlier this month.

Such over-reaction and ingenuously can be put down largely to inexperience.

The Suarez Government inherited an inward-looking Spain that for also 40 years had been shunned because of President Franco.

Even now within the administration there are a number of senior officials and Ministers who retain this insularity, tinged with a certain chauvinism.

Sr. Suarez himself speaks no foreign languages although he has begun to learn English.

Associates say he has had to fight a reluctance in travel and in almost three years of office has made remarkably few foreign visits.

Free from the isolation of the Franco era, Sr. Suarez and his ministers have hesitated over which direction to go in foreign affairs.

As a result, there is little distinction between policies with emotional appeal like historic ties with Latin America and those with practical value, like good relations with Europe.

Spain has committed itself to become a member of the EEC—a move supported by all political parties.

Marchais dubious on new Union of Left

BY DAVID WHITE IN PARIS

A FRENCH Socialist proposal to revive the ill-fated Union of the Left was greeted with reserve by M. Georges Marchais, Communist party leader, yesterday.

In a television interview, M. Marchais said he "took note" of the proposal launched by M. Francois Mitterrand, the Socialist leader, in south-west France on Monday.

But he would have to wait and see what to make of it.

M. Mitterrand's proposal for a step-by-step return to a common opposition front by way of a "rank-and-file union" went in the same direction as Communist policy, framed in similar terms at the party's congress in June this year, M. Marchais added.

A union built on common action between militants was the only means of creating the conditions for a solid and durable alliance capable of winning elections.

But it was not in anybody's power at present to say when a proper Union of the Left might be revived, or what form it might take.

The Socialist leader's statements gave rise to "certain preoccupations," Mr. Marchais went on, in particular, he believed the Socialist Party was setting its sights on the Presidential election in two years' time, rather than on tackling immediate problems.

This showed up "a difference of attitude." The Communists were not prepared to put things off until then.

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Robert Graham reports from Madrid on Spain's hesitant steps towards forming a foreign policy

The problem of picking priorities

WHEN THE dictator of the small West African state of Equatorial Guinea was overthrown earlier this month, Spanish officials were almost proud to let on that Spain had prior knowledge of the coup in its former colony.

Within an hour of the takeover, Spain recognised the new Government.

Mr. Marcelino Oreja, the Spanish Foreign Minister, took time off while accompanying Premier Adolfo Suarez on a visit to Brazil to make a special statement.

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Sr. Marcelino Oreja... no strategist.

and financial treatment.

One exception is Libya which sells a portion of crude oil on credit which is to be turned into a five-year commercial loan worth \$130m this year.

Spain will almost certainly have to align its Middle East foreign policy with that of the Community in the near future, which would mean establishing diplomatic relations with Israel.

Surprisingly little has been done practically to exploit historic ties with Latin America.

At the commercial level many products are mutually exclusive and Spain sells only ten per cent of exports to Latin America.

The bigger commercial carrots are coming from repressive regimes like Argentina, anxious to produce a law granting political asylum to the thousands of Latin American exiles living here.

Quite frequently gestures are made with insufficient quid pro quo. Earlier this year Sr. Suarez visited Algiers and met members of the Polisario Liberation Movement, subsequently approving a statement that effectively recognised the latter's right to the former Spanish Sahara.

Not only did he maintain no apparent concession, but threw away any chance Spain might have had as an arbitrator between Algeria and Morocco over the conflict.

Another unfruitful gesture was the refusal of permission to

pointing in too many directions where its real interests lie. For instance, Spain's static single priority is good relations with France, yet these are extremely tense over the Basque separatism and the question of agrarian cultural imports.

This is to say nothing of Spain's static attitude on Gibraltar which continues to cloud relations with another major partner, Britain.

The real danger of the present situation is that by

German arms deal inquiry

BREMEN — The assistant to the leading Social Democratic politician has been suspended from duty pending an inquiry into alleged Middle East arms deals.

The inquiry is being conducted by an official spokesman said yesterday.

Herr Ralf Dieter Wierich, 39, is accused of working for an arms concern as a salesman on commission in his spare time.

Eight months ago he became Press assistant to Herr Hans Kroschick, head of the Bremen

State Government and vice-president of the Social Democratic Party.

In Karlsruhe, West Germany, a socialist member of the Bavarian State Parliament is to stand trial on spying charges, the Chief Federal Prosecutor said yesterday.

Herr Friedrich Gremyer, 59, is alleged to have spied for East Germany from 1975 to December, 1978. If found guilty, he could face up to 10 years in jail.

Switzerland has emerged strongly rebuffed from the annual meeting of its hydroelectric resources and large oil stocks. However, with

the four major Swiss banks have decided to raise with immediate effect their time deposit rates for non-bank clients to 12.5 per cent from 10 per cent.

Switzerland's rate has been raised to 1.75 per cent from 1.25 per cent for six to 11 month deposits and to 2.5 per cent from 2 per cent for one year deposits.

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BOC International Ltd Group profit, unaudited, for the nine months to 30 June 1979: Table with financial data for various regions and categories.

Vertical advertisements on the right edge of the page, including 'Bagh for u', 'amine', 'Africa', and 'K rebuffs more ca'.

Handwritten Arabic text at the bottom center: 'مكاتبنا في القاهرة'.

OVERSEAS NEWS

Baghdad 'abandons plans for union with Syria'

BY IHSAN HIJAZI IN BEIRUT

IRAQ IS reported to have dropped all plans for union with Syria in the wake of charges that Damascus was involved in last month's conspiracy to unseat President Saddam Hussein.

have been trying to telephone him for days. Last week, the Iraqi President sent emissaries with letters to Arab heads of state in capitals apart from Damascus and to Mr. Yasser Arafat, leaders of the Palestine Liberation Organisation.

Damascus public, according to As Safir. It was also noted that mediation by the PLO and King Hussein of Jordan has produced no resolution of the Syrian-Iraqi crisis.

Pakistan rescheduling request 'rejected'

By David Dodwell

THE AID TO PAKISTAN Consortium is understood to have rejected fresh approaches from the Pakistan Government for rescheduling its debts, estimated at about \$830m for the current year.

IRANIAN REVOLUTION BOOSTS HOPES OF AUTONOMY

Iraqi Kurds exploit discord

BY PATRICK COCKBURN, RECENTLY IN TEHRAN

THE FALL of the Shah and the virtual collapse of Government authority in the far western areas of Iran have given a major boost to the Kurdish rebels in neighbouring Iraq.



Mountain fighting Kurdish rebels deployed tanks and anti-aircraft batteries in fighting near their mountain strongholds of Mahabad yesterday and an Iranian army commander said he was ready to chase them into Iraq if ordered.

Saddam Hussein with the dangerous threat of dissidence from the Shia sect which is 50-60 per cent of the Iraqi population. The Baath party and army leadership is Sunni dominated.

Famine threat to Kampuchea

BY RICHARD NATIONS IN BANGKOK

FAMINE AND epidemic now threaten to kill as many people in Kampuchea as did four years of Pol Pot's terror. This raises the prospect that extinction of the Khmer as a nation could supersede the Vietnamese boat refugees as the most tragic victims of revolution and war in Indochina.



Recent Western visitors to Phnom Penh talk of malaria, dysentery and bubonic plague preying upon the vulnerable population. Since the beginning of August the Vietnamese have begun to admit publicly that the 4m Kampuchean they estimate to have survived Pol Pot's regime now face death from disease and starvation.

General Zia claims the country "desperately needs" outside help if it is to overcome its debt servicing crisis. Just three months ago, the Aid to Pakistan Consortium, led by the World Bank, refused to reschedule Pakistan's growing debts.

Four years ago the last major Kurdish rebellion, led by General Mustafa Barzani, the Kurdish Democratic Party leader, collapsed when the Shah closed the Iranian border, severing Iraqi Kurds supply routes.

concentrated in northern Kurdistan around Zakho. Three bases were established in the region which came under heavy, but unsuccessful Iraqi troops were killed and four or five helicopters shot down.

improve military communications. There is little doubt that the Iraqi army has had the strength in the past to hold its ground. So long as the Shah remained in power he could restrain but not stop infiltration of men and supplies across the border.

The conspiracy within the Baath party against Saddam Hussein has also increased Kurdish hopes. The five executive members of the ruling Revolution Command Council were proteges of Saddam Hussein.

UK protest on expelled journalists

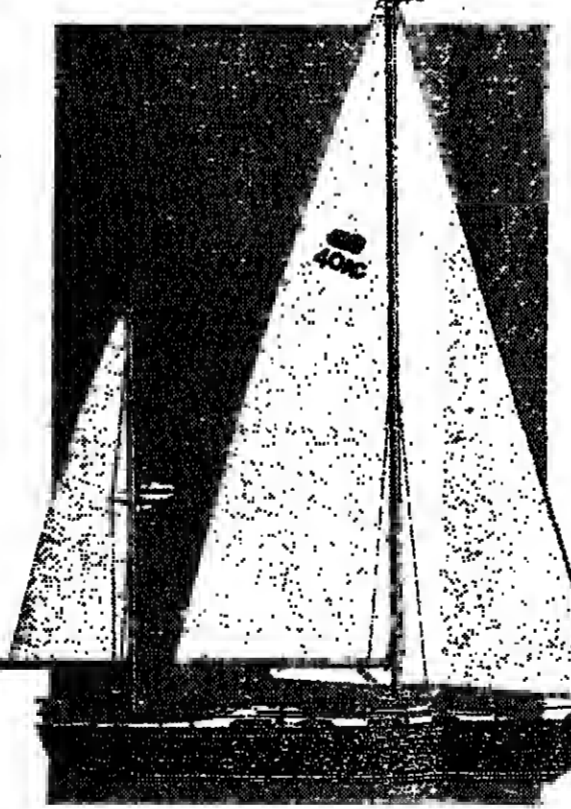
BY OUR FOREIGN STAFF

BRITAIN officially protested to Iran yesterday over the expulsion of the Financial Times and BBC correspondents from Iran.

Mr. Andrew Whitley, the Financial Times resident correspondent, and Mr. Towny Mason of the BBC, were on Tuesday given a week to leave the country.

Their own strength is insufficient for this, though they already lie down over a quarter of the Iraqi army. Their previous attempt to co-operate with the Baath between 1970 and 1974 broke down.

Nicholsons stem the rising tide of yacht prices. Take out a Nicholson as an investment now before we're forced to raise our prices.



Through forward buying of raw materials and bulk purchasing of essential quality fittings, Camper & Nicholsons are able to offer a big selection of superb yachts at Spring 1979 prices.

Table listing various Nicholson yacht models and their prices, such as Nicholson 303 for £17,000 and Nicholson 40AC for £53,000.

How your company could take advantage of owning a Nicholson. The purchase of a Nicholson yacht has certain tax benefits for public and private companies alike.

Form for requesting further information or a test sail on a Nicholson yacht, including fields for name, position, company, and address.

S. African power links sought

BY QUENTIN PEEL IN JOHANNESBURG

TWO NEW transnational power links in southern Africa which would significantly extend the economic control South Africa exercises over its neighbouring states are under consideration and may be approved in the near future.

Debswana, its joint mining operation with de Beers, to reconsider. It is understood that a formal approach to ESCOM, asking for a feasibility study on building a power link was made during a recent visit to South Africa by Dr. G. K. T. Chiepe, the Botswana Minister of Mineral Resources.

Botswana's need for imported electricity has been caused by the fuel crisis and the discovery and development of the major new diamond mine at Jwaneng, close to the southern border with South Africa.

UK rebuffs Third World on more cash for science

BY PAUL LENDVAI IN VIENNA

BRITAIN yesterday gave a flat "no" to the demands of the developing countries for more money at the United Nations conference on science and technology in Vienna.

The developing countries are demanding that a new body be set up to administer an independent fund based on contributions from the industrialised countries, to the tune of \$1m per annum by 1985, rising to \$2bn by 1990.

Vietnam oil prospects disappoint West

SINGAPORE—Early euphoria about Vietnam's offshore oil potential has started to wear thin, according to oil industry representatives.

Bow Valley Industries said it has already abandoned two exploratory wells as dry and has not commenced further drilling. Bow Valley, a consortium of four Canadian companies, is committed under an agreement with Vietnam to drill four wells by the end of 1981.

Camper & Nicholsons Ltd. The Green, Gosport, Hampshire PO12 1AH. Telephone: (07017) 80221. Brighton Marina Office, Brighton Marina BN2 5JF. Telephone: (0273) 609555.

AMERICAN NEWS

WORLD TRADE NEWS

NY bank security under heavy fire

By Our New York Correspondent
NEW YORK bank robbers escaped in a fish truck with close to \$2m in cash on Tuesday...

Mr. Robert McGuire, the New York City police commissioner, has angrily criticised bank security...

Iran buys U.S. oil

The U.S. Commerce Department has approved the sale of \$47m-worth of paraffin and diesel fuel to Iran...

Japan invites Pinochet

President Augusto Pinochet of Chile has been officially invited to Japan...

Mexican amnesty

Over 900 prisoners in Mexico will soon be released, the fifth group to be granted amnesty...

U.S. drops compromise plan for Palestinians

BY DAVID BUCHAN IN WASHINGTON

THE U.S. will propose no compromise resolution supporting Palestinian rights at the United Nations Security Council...

On U.S. tactics in today's council debate, which will be chaired by Mr. Young...

Without a U.S. draft resolution, the council debate is expected to centre on a Nigerian-sponsored resolution...

Prime rates may rise further

BY STEWART FLEMING IN NEW YORK

SOME commercial bankers are warning that a further increase in bank prime rates...

banks to increase the interest rate they charge their stockbroker customers...

Reserve Board. Citicorp, for example, paid a rate of 10.947 per cent at its regular weekly auction...

Somoza may invest in Paraguay

BY ROBERT LINDLEY IN BUENOS AIRES



Gen. Alfredo Stroessner

GEN. ANASTASIO SOMOZA, the ousted President of Nicaragua, plans to stay in Paraguay...

outspoken—all things considered—their criticism of Gen. Stroessner is welcome...

Cable and Wireless in Indian Ocean deal

Financial Times Reporter

THE FIRST submarine telephone cable system in the Indian Ocean will be laid by Cable and Wireless...

The cable system, which will be laid from Madras to Penang is scheduled for completion by the end of 1980...

The Export Credits Guarantee Department has guaranteed the repayment and funding of a \$14.5m loan...

N. Zealand eases import rules

By Dal Hayward in Wellington

IN A major departure from a restrictive policy extending over the past three decades...

Even some of Paraguay's 'independent' Press is strongly critical. Gen. Somoza's arrival...

Mr. Hamer said that southern China, like Victoria, had large resources of brown coal...

UK plans major campaign to sell aircraft to China

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A MAJOR British aircraft industry exhibition is to be held in China in March and April...

The aim is for the UK aerospace industry to try to win a big slice of the orders for aircraft and equipment...

He said that China was particularly interested in the technology used in the development of the Anglo-French Concorde...

EL AL, the Israeli airline, has taken an option on four of the new Boeing 767 semi-wide-bodied...

El Al takes Boeing 767 option

BY OUR AEROSPACE CORRESPONDENT

EL AL, the Israeli airline, has taken an option on four of the new Boeing 767 semi-wide-bodied...

Further orders or options are expected soon for Boeing's other new jet airliner...

According to Mr. Ken Holtby, vice-president, new programmes for Boeing at least a dozen airlines...

Australia and China in coal talks

BY JOHN HOFFMANN IN PEKING

CHINA HAS shown an interest in Australia's experience of the extraction and processing of brown coal...

Exploratory negotiations took place in Shanghai, Nanjing and Peking...

Shell and Petrobras in joint Amazon oil venture

BY DIANA SMITH IN BRASILIA

SHELL Pecten and Petrobras have signed three onshore risk contracts to search for oil and gas in the middle Amazon...

Three million dollars will be spent on seismic work, considered difficult in the middle Amazon...

July decline in Toyo Kogyo car exports

TOKYO—TOYO KOGYO, the third biggest vehicle exporter in Japan...

Petrobras reports that, to date, 20 risk contracts have been signed with foreign companies...

July exports included 20,500 to the U.S., up 70.3 per cent from a year earlier...

Raymond Whitaker, recently in San Juan, reports on the issues at stake in the forthcoming elections

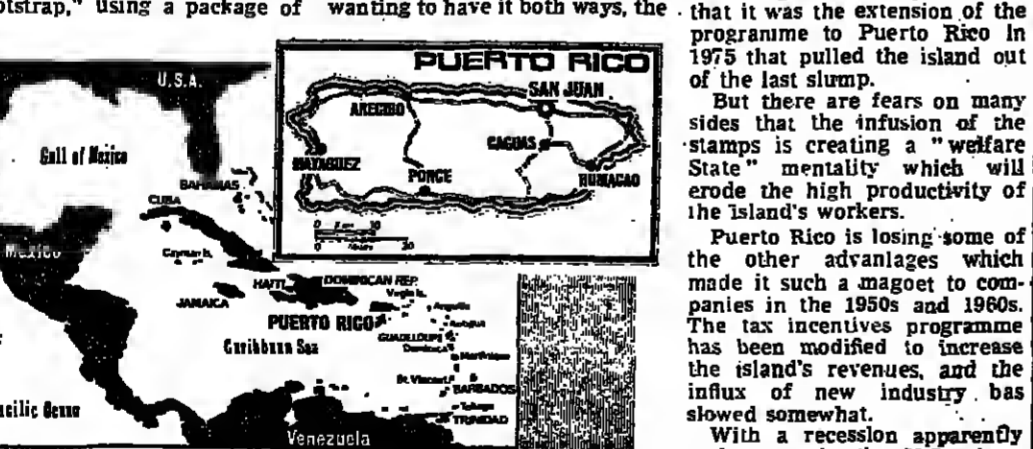
Identity crisis for Puerto Rico

TAX RETURNS are being used with stinging effect in the race for the governorship of Puerto Rico...

was launched to transform the island's one-crop economy, based on sugar...

enabled the island's Economic Development Administration to design the tax incentives...

population is entitled to food stamps, issued by the U.S. Government...



incentives which included exemption from corporate taxes for up to 30 years...

same applies to the opposition. Senator Miguel Hernandez Agosto...

Preliminary estimates put the growth of real Gross National Product in 1978-79 at 5.3 per cent...

Siemens wins Nigerian order

MUNICH—Siemens has received orders totalling about DM 120m (\$29.5m) from Nigeria...

The Nigerian Communications Ministry has placed orders worth DM 70m for cables and cable-laying in Lagos...

Three million dollars will be spent on seismic work, considered difficult in the middle Amazon...

UK MANAGERS IN W. GERMANY

Salaries match but fringe benefits vary

BY JONATHAN CARR IN BONN

BRITISH MANAGERS working in West Germany receive the median salary for a top Cerman manager...

While the British appear to have a slight salary edge on the Germans at the top managerial level...

Some 42 per cent of German companies give five weeks' holiday to this category of staff...

Advertisement for Shell and Petrobras joint venture, featuring a map of the Amazon region and text about oil exploration.

HOW TO BUILD A BOEING.



Skilful hands mould and shape the creations of modern-day flight.

Case in point: Glen Richer.

Glen was the sculptor of the earliest form given to a complex engineering idea — the 727.

He's also transferred the preliminary thoughts of the first 747, 737, and the new 757 and 767 into three-dimensional reality.

Glen is representative of a tradition of hand-crafting aircraft for airlines all over the world.



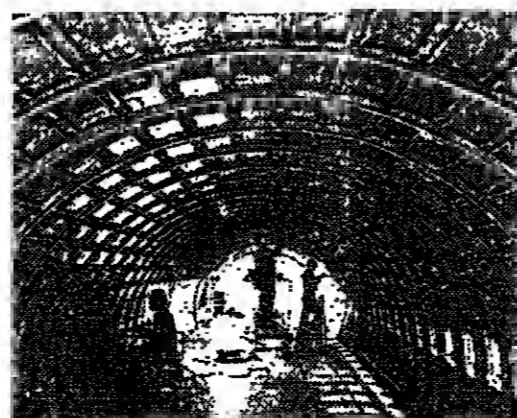
The number of parts, pieces, sub-assemblies and components totals well over one million in a single aircraft.

Therefore, it takes thou-



sands of Boeing people to work with the individual metals, wires, plastics, electronics, fibre and synthetics needed to build a jetliner like the 727. For

this is a custom business. And every Boeing is unique for every airline.



All of this work is a blend of a dozen complex technologies —



engineering, metallurgy, chemistry, physics, cybernetics, anatomy, aerodynamics and a host of computer sciences.

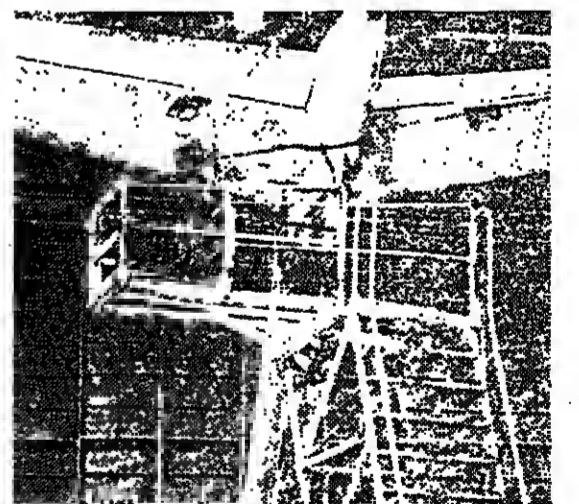
And each phase is integrated by a logistical system that co-ordinates the work of hundreds of



thousands of people in companies all over the world.

The result is a 95-ton machine that can fly near the speed of sound.

A 727 in service for 20 years



will fly 25 million miles, make 45,000 take-offs and landings, and carry 3.5 million passengers to destinations all over the world.

No other people machine can live up to such a lifetime performance record. No car. No truck. No train. No bus. Nothing else in the world.



THE BOEING FAMILY
Getting people together.

UK NEWS

LABOUR

Clothing report attacks quotas

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

IMPORT CONTROLS designed to protect the UK textile industry from cheap foreign goods will lead to higher prices for clothes, especially children's wear, and less choice, a Consumers' Association report says today.

The report, called the Price of Protection, is critical of the effects on the clothing industry of import quotas established under the Multi-Fibre Arrangement of the General Agreement on Tariffs and Trade.

The report was attacked yesterday by manufacturers and trade unions in the clothing industry. The Clothing Manufacturers' Federation described it as "a pathetically muddled and illogical piece of special pleading which nobody can take seriously."

The report concludes that the "cost to the consumer of this sort of protectionism is high." It points out that the true costs of import controls are not generally revealed and represent a "hidden sales tax" for shoppers.

BOC shop stewards fix £25 gas workers' claim

BY NICK GARNETT, LABOUR STAFF

SHOP STEWARDS representing manual workers at BOC's gases division have fixed a claim for a £25 across-the-board increase in basic rates in a seven-month deal.

The settlement date for this group is the beginning of October. During last year's agreement, however, the company virtually committed itself to restoring the group's more traditional settlement date of May.

The unions, mainly the Transport and General Workers' Union, will therefore be seeking to operate next year's agreement from that date.

Shipyard union agrees to action

THE LARGEST shipbuilding industry union, the Amalgamated Society of Boilermakers, agreed at a special delegate conference in Tynemouth yesterday that there should be action against British Shipbuilders' plans to close four yards, making 6,000 redundant.

Mr. John Chalmers, union general secretary, and chairman of the Shipbuilding Negotiating Committee of the Confederation of Shipbuilding and Engineering Unions, said: "There was unanimity that some formal action by way of sanctions must be taken, and that it must be on a national scale."

He added that the unions were "offended at the way British Shipbuilders had handled the situation."

The unofficial National Combined Ship Stewards' Committee will be asking for recognition by the confederation at the delegate conference.

Mr. Ronald Ferns, secretary of the committee, and a worker at the doomed Scots' Marine yard, said yesterday that the committee was opposed to the four planned yard closures, "and would fight them with every means at its disposal."

Some of the threatened Scottish yards have already banned overtime, ship trials, and launches, and Mr. Ferns said the committee would be having a delegate conference in Carlisle early next month to decide on further action in the light of today's conference.

Mr. Council on Clydeside yesterday joined forces with the unions to attack the decision to kill 3,000 shipyard jobs in the area.

Coalite workers walk out

OVER 1,600 hourly paid workers at three Coalite plants in Derbyshire and South Yorkshire went on strike yesterday.

About 1,000 men at Bolsover and others at plants in Grimethorpe and Askern walked out after the breakdown of talks between the company and officials of the Transport and General Workers' Union.

Mersey dockers discuss strike

MERSEY DOCKS and Harbour's 4,000 dockers are to meet on Sunday to consider spreading the six-week unofficial strike by 250 coastal men that has halted freight traffic between the Mersey and Dublin and Belfast.

NatWest increases sponsorship

By Elaine Williams

NATIONAL WESTMINSTER Bank is to increase its sponsorship of the arts and community projects in 1980 from £350,000 to £500,000.

The bank says that the 43 per cent rise in sponsorship is in response to the Government's call for a greater contribution from the private sector due to public spending cuts.

Mr. Robin Leigh-Pemberton, the chairman, said: "The private sector is now expected to take on an increasing role, and we feel that we should play our part in responding to the Government's call."

Almost half the £500,000 will be used for social and community projects. The remainder will be split equally between arts and sport.

ICI telephone system expected to save £1.5m this year

BY DAVID FISLOCK, SCIENCE EDITOR

ICI ESTIMATES that its own nationwide telephone system, using private lines rented from the Post Office, will show net savings of about £1.5m this year.

The cost of calls is about 55 per cent of that on the public STD system, the company considers.

ICI believes real savings could be several times greater, especially in the time saved. The average length of a call has dropped from just over five minutes to two minutes, and twice as many calls are being made.

Television companies' lock-out begins

By Gareth Griffiths

THE INDEPENDENT television companies yesterday locked out members of the National Association of Theatrical, Television and Kiné Employees and the Electrical and Plumbing Trades Union amid predictions that the lockout could last another month.

Senior management are now manning telephones and dealing with security arrangements. Members of unions not locked out, the National Union of Journalists, the Musicians' Union and Equity have been told by the companies not to cross picket lines.

The 6,000 ITV members of the third union involved in the dispute, the Association of Cinematograph, Television and Allied Technicians, have been on strike for 13 days.

Channel Television, which has been broadcasting five hours a night during the dispute, remained on the air last night. It is the only member of the 15-strong Independent Television

Chrysler chairman emphasises stand on Coventry strike

BY OUR LABOUR STAFF

SENIOR MANAGERS at Chrysler UK yesterday received letters from Mr. George Turnbull, the chairman and managing director, saying there was no change in the company's negotiating position on the strike by hourly paid workers at its Coventry plants.

The letters followed comments in a French newspaper by M. Francois Perrin-Polletier, chief executive of PSA Peugeot-Citroen which took over Chrysler Europe, that there was more money available to the strikers if they stopped working practices which hindered productivity.

Company negotiators in the UK who set the offer at 51 per cent on base rates have already offered the workers at Ryton and the Stoke cottage plant an incentive scheme. It includes a form of piece rate working.

Mr. Turnbull's letter says there has been no change in direction. He emphasises that success in the UK plants depends on improved productivity.

The letter is partly a response to British Press reports of the French newspaper article which the company believes has been taken out of context.

The incentive scheme is in the hands of UK negotiators. Chrysler France said yesterday that the offer on base rates had been fixed by UK management. Chrysler UK was in "consultation" with Chrysler France on the strike.

Paintshop workers at Ford's Dagenham plant were meeting late last night to vote on a peace formula aimed at ending their three-day dispute which has led to 1,650 night production workers being laid off.

The formula was produced after talks between Ford Management and Transport and General Workers' Union negotiators. No details of the plan were given, although Ford believes the 97 paintshop workers will return to work.

The company yesterday sent out recall letters to the rest of the workforce to report for normal working tonight.

Men and Matters, Page 16

OTHER MEN'S JOBS: ANTHONY MORETON ON CARRIAGE BUILDING



In the driving seat of a business that's restoring old skills

dog-cart or gig would be about £500.

The cost is high because all the work is hand-done by craftsmen. Brereton himself concentrates on the painting.

Mr. Richard Brereton's workshop you climb the hill outside Gyro, in deepest Powys, passes Cwm Forest Farm, crosses two cattle grids and descend the hill, where the sign still says L8 and not L2.5, per cent or some such Euro-nonsense.

Turn right into the unmarked road which is little more than a lane at the bottom of the hill, and Wern Newydd is the first farm on the left. You could miss it without too much effort.

For postal reasons Wern Newydd is allocated to Painscastle, a village that a stone's throw would span easily. But it could be anywhere, for Wern Newydd is on its own. The hills around seem to roll on for evermore. It is more than appropriate that Richard Brereton should be restoring and turning out horse vehicles here because there is a clear empathy between the object and the setting in which it is made.

The uninitiated might call them pony traps, but only the uninitiated. To the countryman they have names in their own right: phaeton, gig, Berlin coupe, dog-cart, governess cart. They are vehicles pulled by a horse or pony. And they are becoming ever more popular.

Since he began eight years ago, Richard Brereton has noticed a "quite incredible" increase in interest in driving. Perhaps it is the pictures of Prince Philip driving a four-in-hand, or perhaps a desire to get away from the mechanics of the motor age. Whatever it is, if you ask Richard Brereton to build you a gig or a dog-cart it will be 18 months before he will make a start on it.

Richard Brereton attends to a wheel against the stable door with a Danish scabbie (left, foreground), an Austrian phaeton (right), a goat cart between them and a hackney vicroy (back, right) in the yard.

Robbing

It will also cost a considerable sum. A new two-wheel dog-cart will set you back £1,600 to £1,500 and a two-seater gig another £200. Four-wheelers are much more expensive. A dog-cart, a phaeton or a hackney would come out between £2,000 and £3,000.

Only about a third of Richard Brereton's business is new work. Most of it is restoring vehicles which their owners have either had in the family for years and allowed to deteriorate, or which they have bought cheaply and want put back into condition. Restoration comes cheaper, but is still not cheap. A two-wheel

Brereton. But there are still problems. The main one is finding enough matured wood. Brereton uses ash, oak and elm, the great English woods. Much of the wood used in the building trade has not matured enough for his purposes and finding the right sort is difficult.

Trunding

Brereton's parents bought the farm as a base for his father, a military historian, when they moved from Banbury. The outbuildings turned out to be ideal for the carriage business and Richard's interest in restoration, kindled 14 years ago at the age of 12 when a friend of the family's gave him a vehicle, was allowed to go commercial.

He does not concentrate only on small vehicles. One client asked him to make a hansom cab, until he learnt the price. And he is about to begin work on an elaborate French carriage—officially, a semi-state chariot—dating from 1860, which will go to the Museum of Carriages at Vaux le Vicomte outside Paris.

The biggest job was to restore a London Bus now trundling holidaymakers around Hyde Park. "That came as a result of a phone call I had out of the blue from someone in

Prestige. Tim Richards, a Chester businessman, asked me if I could restore it," he said. "I've got another old bus out there, which also belongs to Mr. Richards, and we'll be getting round to that for him soon."

"An auctioneer told me about it and I told Mr. Richards. He bought it and sent it to me for conversion. It's about a century old and originally helioted to the Bristol Omnibus Company. We know that because we found a ticket tucked away in the woodwork."

"The bus was sitting in a garden being used as a summer house. Whoever owned it had taken the top off and put on a tiled roof. We have removed the roof and will have to reconstruct the top from pictures."

But it is the driving carriages in their maroons, deep browns and navy blues that are the bulk of his work. As driving becomes increasingly popular at shows, Richard Brereton's workload will certainly increase.

I don't suppose he will ever become another Lord Nuffield, who started with bicycles in an Oxford garage and became a magnate, but if the fuel crisis gets that much worse he's in the right place at the right time to produce a marvellous competitor to the internal combustion engine.

More UK NEWS

Page 19

No homeworkers paid less than legal minimum

BY OUR LABOUR STAFF

A WAGES Inspectorate investigation into garment manufacturing pay within parts of London and the Midlands has found that no homeworkers covered by the exercise were paid less than the legal minimum wage.

But the investigation did show that eight London factory workers in the dressmaking and women's light clothing trade earned below the legal minimum. Arrears of £1,380 were paid to workers in the two companies concerned.

The unit's inspectors visited 106 employers in Lambeth, Southwark and Woodsworth in London, and Walsall in the Midlands. These areas were chosen because they have a high concentration of homeworkers.

Inspectors checked piece rates and earnings of 524 factory workers and 456 homeworkers. They also looked at the costs incurred by homeworkers. This revealed that rates were generally high enough to accommodate the homeworkers' overheads where they were required to supply machinery and tools and pay for light and heat.

Provincial courts settle

THE 4,500-strong Association of Magisterial Officers, representing court staff outside London, yesterday called off its industrial action pacted to open today.

Negotiators for the Association accepted a 9.6 per cent increase backdated to July 1; 5 per cent on account on October 1 and a reference to the Clerg Commission on comparability, its findings to be implemented from December 1.

Mr. Colin Jeeves, the Association's president, described the deal as meeting most of its demands. The Home Office, which pays four fifths of staff costs, is expected to approve the settlement.

Strike-hit plant turns men away

SIXTEEN ENGINE TESTERS have tried to break the 19-day strike which has crippled production at the Perkins diesel engine plant in Peterborough.

A company official said last night that he had reported for work but was turned away.

"The number involved did not make it practical to operate the equipment."

Four hundred engine testers decided by a close vote earlier this week to continue the stoppage over more pay for operating new equipment. But their union, the Amalgamated Union of Engineering Workers, has refused to make it official and many men are now in financial difficulties.

By last night 5,400 other production workers had been laid off. Most are claiming unemployment benefit.

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STET - SOCIETÀ FINANZIARIA TELEFONICA p.a. Holding of the Istituto per la Ricostruzione Industriale (I.R.I.) for telecommunications and electronics. Registered Office: TURIN - Via Bertola, 28 - Tel. 5721. Head Office: ROME - Via Aniene, 31 - Tel. 8589. CONSOLIDATED BALANCE SHEET OF THE STET GROUP. Assets: Fixed assets 9,659.0, Other 1,712.0, Total 11,371.0. Liabilities: Net capital 1,263.7, Other 1,246.1, Total 2,509.8. Profit 40.0. Total 14,247.7.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

Kellogg's UK sales already top £100m. But for the 1980s it plans significant diversification into non-cereal sectors. Report by Michael Thompson-Noel

New foods: rise and shine at Kellogg



Ready for business. Left to right: Andy Rork, Nigel Grandfield and Graeme Collins. They stress that their new agency is not a McCann-Erickson breakaway, and deny allegations of "poaching."

McCann's hot summer

ADVERTISING, wrote Dorothy L. Sayers, was a desperate whirligig. It was Phantasmagoria, "a city of dreadful day, of crude shapes and colours piled Babel-like in a heaven of harsh cobalt and rocking over a void—a Cloud Cuckooland."

At present, Miss Sayers is presumably a proscribed author in the international offices of McCann-Erickson, part of the vast Interpublic Group, for recent events in London and New York must have shaken its nerve, writes Michael Thompson-Noel.

According to Advertising Age, McCann-Erickson is, or was, the second biggest US-owned advertising agency in terms of world billings (behind J. Walter Thompson).

In New York, the Miller Beer account, reputedly worth \$80m has been siphoned out of McCann and deposited with a new agency, Backer and Spielvogel, formed in June and still operating from a hotel suite. Mr. Spielvogel was formerly vice-chairman of Interpublic. Mr. Backer, formerly vice-chairman and creative director of McCann-Erickson Inc. Miller Beer is part of Philip Morris. The Miller transfer is said to be the second biggest account change ever, dwarfed only by Chrysler's \$120m switch to Kenyon and Eckhardt.

McCann men. It starts trading on September 1. It has not got an office yet. It hasn't got a client. But if the freepower of the founders is anything to go by, at least one of each will follow shortly.

The partners are Nigel Grandfield, until April chairman of McCann in London; Andy Rork, formerly a creative director at McCann and since January joint managing director and creative director at Geers Gross; and Graeme Collins, until recently managing director at Harrison McCann, the main McCann subsidiary.

All three were associated with McCann's vintage growth era of the middle-to-late-1970s. They stress that Grandfield Rork Collins is not a McCann breakaway. (Breakaway agencies are usually formed specifically to handle or poach part of the former parent's business). All three have had other jobs since leaving McCann, though in Mr. Grandfield's case (chairmanship of the now-aborted Saatchi and Saatchi International). It was brief of tenure.

GRC says it will be a full-service agency. It says there is a gap in the market between agencies at the top that are already big and struggling to grow bigger, and the creative boutiques and smaller-billing shops at the bottom. The gap, said to lie in the £5m-to-£20m-billing range, is there to be exploited, says GRC, by agencies like itself that can provide top talent to work in the closest possible partnership with clients

and offer a total marketing communications service.

Mr. Grandfield resigned from McCann in April, saying it was "a refreshing change to get back to the real business of advertising instead of being buried by the bureaucracy of a group like Interpublic."

He firmly denies "poaching" for business, though it is known he has talked to Tesco, at around £7m almost certainly McCann's single biggest client (Roithmans could be bigger). Messrs. Grandfield, Rork and Collins worked closely on the Tesco Checkout campaign.

McCann itself is not amused by Grandfield Rork Collins, nor by the speculation that has surrounded its birth. That doesn't worry Mr. Rork. "Right now, McCann should be reading Decline and Fall—it shouldn't worry about what is happening outside the agency but what is happening inside it. In offices around the world the McCann psychology has not been helped by the Miller story. For our part, there is absolutely no vendetta."

Two weeks ago, McCann in London lost the £2m GEC Schreiber account. It has lost other business this year, though group chairman Ann Burdus says McCann will finish the year "ahead." She recently reorganised the group's top management and says she plans to make Harrison McCann a £20m agency by the end of 1980. So spins the whirligig.

EVEN THE mightiest of food manufacturers suffers distribution hiccups. In salubrious Newmarket a few days ago, I arrived unprepared at the breakfast table and asked for corn flakes. "You'll laugh, I know," the waitress said, "but Kellogg's off."

The Kellogg Company of Great Britain has more serious problems at present, because for seven weeks its main breakfast cereal manufacturing plant in Manchester has been closed by a strike. That did not dampen the mood in London last week, however, when Kellogg's marketing top brass revealed further plans for diversification into non-cereal sectors.

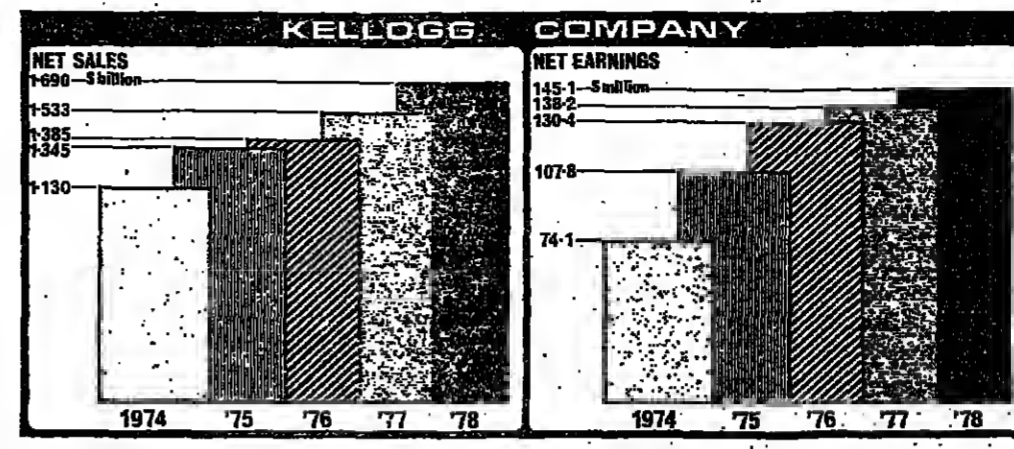
The company is about to launch Kellogg's Super Noodles into an instant noodle market expected to be worth around £30m at RSP by the end of 1980; plus Kellogg's ready-to-toast frozen Waffles, the company's first foray into a frozen food market currently worth £800m, which for perspective's sake is approximately four times the value of breakfast cereal sales.

Super Noodles will be supported by £1m worth of advertising over the first nine months, said to be one of the heaviest-ever spends for a food product launch; Waffles will be supported on Press and TV by £500,000 worth of advertising in its first full year. Both campaigns have been devised by Leo Burnett.

These new products should gain sales of £4m or so by the end of next year, and illustrate Kellogg's determination to spread its wings beyond the cereal sector. UK sales at present total more than £100m, 95 per cent or so accounted for by traditional cereal products like Kellogg's Corn Flakes, Rice Krispies, Special K, All-Bran, Frosties and the delectably entitled Puffa Puffa Rice.

By the end of the 1980s, however, Kellogg hopes that at least a third of its sales by value will be derived from non-cereals, though in customary deference to business orthodoxy it says it will not only not ignore its cereals franchise but extend and improve the range to protect itself from branded goods rivals as well as own-label.

Moves in the UK clearly mirror Kellogg's ambitions world-wide. International sales



of the Kellogg Company, including domestic U.S. business, grew 10 per cent last year to £1.69bn; earnings grew more modestly, by 3 per cent to \$145.1m. U.S. sales accounted for 66 per cent of the total last year against 69 per cent in 1977, whereas sales in Europe accounted for 17 per cent of the aggregate (and 11 per cent of earnings) against 14 per cent and 9 per cent respectively in 1977.

Michael Darling, Kellogg UK's assistant managing director for sales and marketing, says three years' development work have gone into Waffles and Super Noodles, which represent the start of a long-term diversification plan.

"Already a major food manufacturer, our goal is to market a wide range of national brands in several categories. Even in the cereal market we are confident of expansion outside our traditional ready-to-eat products. Extra, our instant hot oat product, recently launched nationally, represents our first step in this direction. In the frozen convenience food market we intend to follow Waffles with the launch of other unique, value-added frozen food products."

Unique or no, Kellogg has had mixed success with its new products so far. Its Rise & Shine Fruit Drink, the first properly branded powdered fruit drink in the UK, is currently still warding off General Foods' Birds Apeel and recording volume increases. But neither Kellogg's Two-Shakes, a powdered milk shake, nor its Fudge Mix, have set the grocery trade on fire.



Kellogg is planning a film advertising campaign for Super Noodles, said to be one of the heaviest-ever spends for a new food product launch

Mr. Darling says Kellogg wants fewer of its eggs in the same basket, though its diversification will be into food areas related to the Kellogg image. "We're looking for big ideas in non-cereal areas. In frozen food, our products will be based on convenience and added value in a search for the best return on capital, which is why there won't be a Kellogg's frozen beefburger, or any Kellogg's frozen fish."

One area of interest—alcoholic powdered drinks—was dismissed as way beyond the Kellogg pale; though the company admits it could have made a useful splash in instant custard, if it had got there in time.

Why Kellogg's are spending £1 million to teach potatoes to play golf.

A 100g (3.5 oz) packet of Super Noodles should sell at 32p and will be nationally available from September. It is the first new product to emerge from Kellogg's Wrexham, Clwyd, factory and marks the first-ever major attack by a UK food manufacturer on the £300m fresh and instant potato market.

Waffles is the first new product to be manufactured at Kellogg's Skelmersdale plant (on machinery imported from Australia). A pack of eight should retail at between 44p and 49p. From freezer to toaster to table, they are ready to eat within three minutes.

According to John Johnson, Kellogg's manager for consumer marketing in Britain, the core

of Kellogg's business philosophy—aggressive marketing of high-turnover, heavily advertised convenience food products—is demonstrated by its advertising expenditure over the last 20 years: a total of £140m at 1979 prices, of which approximately £58m was spent on its flag-ship brand, Kellogg's Corn Flakes.

As you would expect, Mr. Johnson makes all the right noises about the "inventive genius" of the company's founder, Mr. W. K. Kellogg, about grains and cereals' contribution to a "better balanced diet," and about the importance of dietary fibre, or roughage. In Britain, Kellogg's sales of bran products are booming. All Bran is now the company's No. 2 best seller by tonnage, and is attempting to "throw off its old-fashioned, constipational image." Thirty per cent Bran Flakes is Kellogg's fastest-growing breakfast cereal. And Kellogg's Corn Flakes has in effect been relaunched. "Fundamentally," says Mr. Johnson, "our main-line business is in good shape."

Nor is Kellogg's doing too bad internationally, although on a consolidated basis, higher selling prices were the major source of its sales gains, both last year and in 1978—amounting for \$130.2m out of a sales increase of \$157.2m last year, and \$113m out of \$148m in 1977. The balance resulted from sales by newly-acquired companies, the marketing of new products, and, in some product areas, genuinely increased volume.

The Kellogg Company has prospered mightily since 1902 when William Keith Kellogg set up his first ready-to-eat cereal factory in Battle Creek, Michigan, as a manufacturing offshoot of his brother John's sanatorium. The Battle Creek plant survives today, though on a vastly bigger scale. All told, the Kellogg Company now runs 49 plants in 20 different countries, producing over 1.5bn lb of ready-to-eat cereals each year, as well as another 1.5bn lb of other easy-to-prepare foods.

For food majors everywhere, the name of the game in the next decade will be diversification, particularly into the convenience, frozen food and fast food sectors. Next time I visit Newmarket I will ask Kellogg's Waffles, and see where it gets me.

The Thinking Rich

When the top people went into a spin recently some of them whirled our way it's true. But they still wouldn't account for the fact that our readership is now 1 1/4 million and growing.

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In other words, they think and they've got money to spend. Have you got anything you'd like them to think about spending it on?

(Sources: NRS and Guardian Readership Panel)

THE GUARDIAN
119 Farringdon Road, London EC1R 3ER. 01-278 2332.
164 Deansgate, Manchester M60 2RR. 061-832 7200.

ITV's loss could be 'as little as £10m-£14m'

ALTHOUGH THE Independent Television pay battle developed into a lock-out yesterday, few advertisers or their agencies have suffered real material damage so far. Most remain convinced that the dispute will be settled by the end of August, or the first week in September at the latest.

In net revenue terms, this could mean a loss to ITV of as little as £10m to £14m, roughly 3 per cent of the network's forecast revenue for the year as a whole—approximately £420m.

According to a spokesman for one top London agency: "August is almost the best month possible in which to resolve an ITV pay dispute. We remain reasonably optimistic that the dispute will be settled by the end of this month. The ITCA (Independent Television Companies Association) has made its point. We get the impression that only a very slight improvement in the pay offer would be jumped on by the unions."

Net ITV revenue last August was £24.4m. The forecast for this August was of a revenue gain of 6 to 10 per cent to around £26m. By the end of the month, the network's lost revenue would total approximately £20m, of which one-third to one-half, according to estimates, would be re-allocated for the autumn.

The situation would change radically if the dispute carried on into the autumn. TV costs would reach their maximum and advertisers would suffer in the medium. Ian Spear, media and finance director at the Ted Bates agency and chairman of the Institute of Practitioners in Advertising's media committee, said yesterday: "The contractors probably realise that running the dispute deep into

September would gravely reduce their flexibility. Many advertisers would not be able to reallocate the 'lost' funds they wished to."

The sort of advertisers that are suffering apart from soft drink manufacturers, are film promoters and part-work publishers such as Marshall Cavendish. The latter was the 18th biggest UK TV advertiser last year, spending £3.7m in MEAL terms. This month it planned three test-market operations for major launch in September, which may have to be aborted if airtime demand in September becomes as tight as expected.

Branded goods manufacturers, such as the confectionery division of Cadbury-Schweppes, have to date hardly been affected. Gareth Hughes, Cadbury's confectionery marketing director, says that only three Cadbury brands out of a total of 18 were due to be on air this month. Next month, however, Cadbury plans a major Dairy Milk campaign. Mr. Hughes says the division plans a total ad spend this year that will be "significantly higher" than last year's MEAL-based £11.8m, and roundly dismissed a report yesterday that Cadbury was planning a £3m-to-£4m advertising outlay this autumn.

The dispute persists into September, the most celebrated casualty could be Now! magazine. Sir James Goldsmith's first venture into UK publishing, which is due to launch a £750,000 ad campaign (70 per cent of it earmarked for ITV) in the week preceding its September 14 debut. The total projected promotional spend to the end of the year is £2.25m. Net ITV revenue in July was £27.4, against £24.7m in July last year.

McCann moves £8m

PLANS TO boost Harrison McCann's main McCann-Erickson subsidiary into a £20m agency by the end of 1980, have been advanced by the decision to transfer up to £8m worth of business from the main agency (see McCann's Hot Summer, this page). The accounts include £3m worth of Milk Marketing Board business.

McCann chairman Ann Burdus has already announced the appointments at Harrison of Ron Dazeley as vice-chairman and chief operating officer, and of John Adams (formerly at McCann, Chicago) as managing director.

Newspapers subsidiary, has moved its account, expected to be worth more than £1m in 1980, out of Saatchi's and into Moxon Dolphin and Kerby.

THE PROGRESS Agency is to handle advertising for Evans, the retail office stationery chain. The account is worth £130,000.

● AUGUSTUS BARNETT has appointed Downtown Advertising and is raising its spending to £350,000—£100,000 more than last year.

● TWIGGY, the slim-line model, stars in a £400,000 campaign for Mulinex hair care appliances starting in November.

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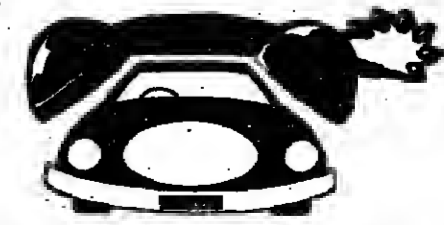
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Tom Allen, Shell Horticulturist

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What scars would remain? It is five years since the line was laid, and

as I fly along the route today, even I can see no sign of it.

On the ground, the course of the pipe can be followed by a series of small unobtrusive markers. Apart from these, there is nothing to tell you that the top of a pipeline runs one metre beneath your feet.

The sheer invisibility of the line surprises visitors but not me. I was responsible for re-instating the land and well know what unprecedented lengths we went to. Every foot of the way was

photographed before digging started, and the vegetation restored the way the record showed it... even to the exact varieties of grass.

Sometimes, I agreed deviations in the line to avoid disturbing rare trees. In addition, a team of archaeologists preceded pipeline contractors to make sure that the route would avoid cromlechs, barrows, earthworks and other historical sites.

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Group Chief Accountant

C. London

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Answerable to the Group Financial Controller, you will be totally responsible for co-ordinating all accounting and reporting, and for ensuring the highest standards of efficiency. Additional duties

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The position, therefore, carries considerable responsibilities of strategic importance. It requires not only a thorough knowledge of corporate methods and attitudes, but also a creative, finance-orientated approach.

Whilst an exceptional candidate from the profession will be considered, it is probable that relevant commercial experience will be a significant influence on the compilation of the final shortlist.

Please send a detailed c.v., clearly stating contact telephone numbers, to Peter Wilson, F.C.A., Management Appointments Limited (Recruitment Consultants), Albemarle House, 1 Albemarle Street, London W.1. Tel: 01-499 4879.

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Lloyd Chapman Associates
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If you think you are the person for this challenging position, please write in confidence to: J. A. Cleary, Transport International Pool Ltd, Star House, 68/71 Clarendon Road, Watford, Herts.

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Please send full c.v. and a photograph before the 13th September. These will be forwarded direct to our client. List separately companies to whom they should not be sent. Ref. B.1375.

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Please write to Paul Rigden giving concise career details and current salary to the address below enclosing the names of any companies to whom you do not wish to apply. Strictest confidence will be maintained at all times. Applications are welcome from both men and women.

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Preference will be given to chartered accountants with a record of achievement in implementing sophisticated management techniques in a manufacturing environment preferably, though not essentially, within the pharmaceutical industry.

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Please write in confidence for an application form and a job description to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 8SY, quoting MCS/8779.

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An accountant wishing to develop a career in management is being sought by a leading innovator in the frozen food industry.

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هكزامن الاجمل

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

Bright idea in the home

TENTATIVELY described on this page on January 18 under the same title as above, the new Arrowlite "Afton" self-illuminating screwdriver is the first hand tool to make use of optical fibres to direct light precisely on to the work.

The handle of the screwdriver and the sheath covering the blade incorporate four optical fibres which channel light precisely to the tip of the blade and the slot of the screw, with no wasteful diffusion in the sides.

Fibre-optic technology has so far been used mainly in communications and medicine. Its application to a mass-produced domestic gadget is the result of close collaboration between Arrowlite Tools of London and Pilkington Po of St. Asaph, Wales.

ELECTRONICS

Bubble memories for industry

PORTABLE, high security bubble memory units for use in industrial computer systems are offered by GR Electronics of Newport, Gwent. They are probably the first serially-interfaced add-on bubble memories to become available, and meet a need for a rugged bulk memory system which will operate reliably in harsh industrial environments.

TEXTILES

Maintains quality of cloth

WITH THE universal application of synthetic fibres throughout the world textile industry an increasingly sensitive raw material is being used. Incorrect tension applied to yarns at any stage of processing may well result in, at best, seconds quality cloth and, at worst, a reject.

IN THE OFFICE

Chances for new UK ventures

FIRST STAGE of a Department of Industry study of text processing has been completed. The study aims to assist with the establishment of the UK computing industry in the area of office automation and is to receive further support.

Speeding information flow

ANSWERING equipment of a new design from Robophone will handle calls on from one to three lines, as required. The company calls it the MLU or multi-line unit and it comes as an attachment to an answering machine, weighing just over one kilogram and measuring 130 x 100 x 60 mm.

COMPONENTS

Long life telltale

TRADITIONAL PILOT lights using a filament bulb have an extremely limited life. This is particularly the case if they are subjected to vibration in the car.

Operational life of better than 21 years means the control panel is virtually maintenance free and pilot light failure, which indicates breakdown would almost certainly occur only if there is mechanical damage or a faulty electrical connection.

Such a conference has not been held since 1970. This year, there will be a review of postal engineering developments in recent years and future prospects for mechanisation and trends for the 1980s will be examined.

Newman Electric (Stah) Group, Mole Street, Sparkbrook, Birmingham B11 1XA. 021-772 8881.

DALE GENERATING SETS
For prime power, standby, and the construction industry. Dale Electric of Great Britain Ltd. Electricity Buildings, Fife, Yorks. YO14 9PJ, UK. Tel: 0723-51 4141 Telex: 52163

Engineering in the Post Office

POST OFFICE chairman, Sir William Barlow, will open the three-day "Progress in Postal Engineering" international conference being held at the HQ of the Institution of Mechanical Engineers, 1 Strand, London SW1 1JF, on November 6, 7 and 8.

On November 9, overseas delegates will have the opportunity to visit the new Liverpool head office to see the latest mechanisation equipment in the UK.

Methods of operation in sorting offices in Oslo, Copenhagen and Canada will be covered and papers are to be given by delegates from Australia, Denmark, Italy, Canada and Japan.

Harnessing brain-power to reality

UNIVERSITY GRADUATES who go on to employ their academic talents in industry have often found that the sudden switch from campus life to the atmosphere of the factory floor is both a mental and cultural shock.

Hoping to bridge the gap between the two totally different worlds—and intending to effect a smooth, unharsh transition—into the world of industry, academics, announced Cranfield Institute of Technology.

This idea follows a one-day CIT conference on graduates who are going to be employed in industry, public services, the universities and polytechnics, who emphasised the difficulties faced by employers, graduates and teachers in this field.

Forum for paviors

FIRST EVER International Conference on concrete block paving (interlocking concrete paving) is to be held at Newcastle upon Tyne from September 25.

Organised by the civil engineering department of the university there, with the support of the Cement and Concrete Association and the Interlocking Paving Association, the conference aims to provide an opportunity for the exchange of experience on research, manufacture and application and includes an exhibition of manufacturing plant and ancillary equipment and related products.

More from the conference secretary, Miss M. Sanderson at University of Newcastle upon Tyne, Claremont Road 10822 25511.

EXHIBITIONS

Developing close trade links

IMPORTANT aim of Expansion Co-operation 1980-1980—to be held in the Centre National des Industries, et des Techniques, in Paris, June 1980—is to develop closer trade links between Western Europe, the Arab countries and member nations of the Organisation of African Unity, says organiser Bryan Cassidy, IPC Business Press (Overseas), Surrey House, Throley Way, Sutton 101-643 8040.

The show will embrace transportation, energy, water, oil and gas, mines and quarries, the agriculture, livestock and food industries, communications, industrialisation, commercial and media services, installations and maintenance.

CHIEF DEALERS FOR NEW YORK & HONG KONG. A major American Bank requires experienced dealers with a minimum of five years Spot & Forward trading of all major currencies and the ability to organise and administer a new operation.

INSTALMENT CREDIT UNDERWRITER. City based well established Instalment Credit Group mainly writing larger unit commercial and industrial business seeks experienced Underwriter to take charge of existing team.

LONDON BOROUGH OF HOUNSLOW DEPARTMENT OF ARTS AND RECREATION Chief Administrative Officer. We are looking for someone with good managerial experience to head our Administrative Division.

GROUP COMPANY SECRETARY HULL. £10,000 + CAR. Our client, a listed company with a T/O of £50(m), is seeking a Group Secretary who will possibly be a Chartered Accountant.

CENTRAL LONDON ACCOUNTANT. Our client, a large Dii Company, are seeking to recruit a qualified accountant. The successful candidate will be the No. 2 in the Financial Accounts Section.

Accountancy appointments £9,000. These advertisements appeared in the Financial Times on 21st August, 1979.

LOMBARD The economics of Mr. Healey

BY PETER RIDDELL

THE LABOUR Party is in no hurry to make itself appear a plausible alternative government. Most of the three-and-a-half months since the election has been taken up with internal arguments about organisation and the balance of power. This debate is important but there are few signs of any equally necessary, new thinking about policy.

Inadvertent

A notable exception is Mr. Denis Healey who has been almost constantly contributing to the public discussion about the economy through speeches, radio and television interviews and his fortnightly column in Financial Weekly. His consistent theme has been that in spite of the setback of the winter the underlying performance of the British economy was beginning to improve under Labour. However, all the gains have been wiped out, "almost at a stroke," by the Budget and by the Treasury attachment to "primitive monetarism" and the results for inflation and unemployment may be disastrous. Mr. Healey is not a man to put his punches but there is a danger that in his natural vigour—and his desire to further his perfectly respectable political ambitions—he may inadvertently strengthen the position of those arguing for a siege economy.

"strict monetary orthodoxy is now in danger of turning into a straitjacket" and "given the present highly vulnerable state of the UK's industrial base, the cost of returning to a totally free market economy may not be the best way out of the UK's difficulties." But if this concern can to some extent be discounted as the special pleading of a group which knows that the workings of the Looonoo Business School and hokers W. Greenwell are perhaps more significant. Both are sympathetic to the Government's long-term strategy of reducing inflation by reducing monetary growth. The Business School has urged a gradual path of monetary deceleration with a higher nominal level of public sector borrowing next year in order to prevent excessive contraction. The hokers have said that the Government should be alert to the necessity of avoiding inadequately low monetary growth.

Mr. Healey has gone further than this and is weaker ground in implying that Labour would, or could, have pursued a significantly different long-term strategy. A Labour Budget, as he has admitted, would have had to be tough. VAT would probably have been consolidated at 10 per cent and the specific Customs and Excise duties would have been raised—both measures boosting prices. My bet is also that Minimum Lending Rate would have risen.

Undermined

Mr. John Biffno was probably not far from the truth when he argued that it was no good Mr. Healey trying to pretend that when he vacated Great George Street the heathens moved in. The policies are different but the differences are not of a magnitude that entitles him to say that. Indeed even on his own terms Mr. Healey may have gone too far. Thus by exaggerating important, and partly valid, criticisms about the implementation of policy, Mr. Healey may undermine support within the Labour Party for the broad economic strategy—"socialist monetarism"—which he had followed for five years as Chancellor.

Many businessmen believe that the Government may be trying to squeeze out inflation too rapidly and too harshly at a time of general recession. The London Chamber of Commerce has, for example, warned that

THE CREDIT SUISSE FRAUD CASE

Bank scandal that left the Swiss unruffled

THE FOUR scandals which shook the European banking scene in the mid-1970s are still reverberating in the courts, but the rumblings differ greatly from country to country. The 1974 collapse of the Herstatt Bank in Cologne has been considered three times already by the Bundesgerichtshof, the German supreme court. The judgments, which resulted in the case being sent back to the lower courts, lacked the clarity and decisiveness one might have expected from the Karlsruhe judge and in fact raised more questions than they answered. The almost simultaneous collapse of the Sidona Banca Privata Italiana in the meantime has been receiving quite different, one could say Sicilian, treatment.

The treatment consisted of allencing those who knew too much, before they reached the courtroom. Giorgio Ambrosoli, the receiver, made the fatal mistake of taking his job seriously and was murdered on July 12, 1979. The Palermo police chief let it be known that he spoke to Ambrosoli a few days before his death. So he was murdered too. Finally, the central figure, Michele Sidona, who one must presume, knew all, disappeared in New York on August 7, three days before he was due to answer charges of having fraudulently obtained U.S.\$225m through the (since collapsed) Franklin National Bank. He was

on the run from Italy where he is wanted on charges of criminal bankruptcy. Though he had ample reasons of his own to go into hiding, his family and lawyers insist that he was kidnapped and the New York police now appear to be acting on the assumption that indeed he was.

Compared with the esoteric legal arguments generated by the Herstatt scandal and the rather brutal ones advanced by the Sidona case, the excitement and anxiety caused by the discovery of frauds amounting to some \$400m at the Chiasso branch of Credit Suisse is being played down in a truly Swiss manner. So much so that even the placid Swiss public feels that the Ticino court and jury were too lenient. They sentenced the two bank managers, Ernst Kuhmeier and Claudio Laffranchi, to four and a half years in prison and imposed a suspended sentence of a mere 16 months on three Ticino lawyers. They are Elbio Gada, Alfredo Noseda and Alessandro Vitella, members of the Chiasso law firm of Maspoli-Noseda. It was they who acted as administrators of the "parallel" or letter-box bank, the Texon Finanzanstalt, through which SwFr 1.3bn were drained between 1961 and 1977.

The two Credit Suisse managers were also fined SwFr 10,000 each, and the three lawyers accused of helping

Thatching is up to his task

BY ABOUT 3.40 this afternoon, we should know whether the connections of Solinus had some compensation for the death of that brilliant sprinter and fine stallion prospect in Ireland on Tuesday.

The Robert Sangster syndicate and their trainer, Vincent O'Brien, a member of that con-

Goodwood's King George Sprint. Ahooora, a much improved sprinter since joining Frankie Durr, will take advantage of any check to Thatching's account and is preferred to Double Form, whose stable is under the virus cloud.

Whatever their fates with Thatching, that four-year-old's connections are likely to return home with at least one winner, for Loodon Bells (another not to last out his trip at Goodwood) is preferred to Lord Seymour for the Gimcrack Stakes.

RACING

BY DOMINIC WIGAN

Abella, passed the post with plenty in hand over the admittedly second-rate Persopolis. If, as I believe, Thatching is no worse for that abortive run at Goodwood—which would never have been contemplated had O'Brien not been misled over the state of the ground—the four-year-old should justify tremendous stable confidence. However, if he is not back to his best, the race seems best left to Ahooora, whose phenomenal early pace enabled him to win the favoured standstide herth after only a few hundred yards of

2.00-Maysapour
3.30-Concert Hall**
3.05-London Bells***
3.35-Thatching**
4.10-Qualy Lane
4.40-Soldiers Point
5.10-Kampala

ENTERTAINMENT GUIDE

Opera & Ballet, Theatres, Music, and other entertainment listings. Includes venues like Coliseum, Adelphi Theatre, and various musical performances.

TV Radio section listing various programmes, frequencies, and times for different channels like BBC 1, BBC 2, and TV Radio.

F.T. CROSSWORD PUZZLE No. 4055

Crossword puzzle grid with clues and a solution section at the bottom. Clues include 'Calm about notice describing musical performance' and 'Small learner coming into view'.

RADIO 1 and RADIO 2 sections listing radio programmes, frequencies, and times for various stations.

Radio Wavelengths section listing radio frequencies and station details.

Radio 1 and Radio 2 sections listing radio programmes, frequencies, and times for various stations.

Radio Wavelengths section listing radio frequencies and station details.

Radio 1 and Radio 2 sections listing radio programmes, frequencies, and times for various stations.

CINEMA section listing various movie listings for different theaters and times.

THE ARTS

EDINBURGH FESTIVAL

The Tent

Punch and the Street Party

by CLEMENT CRISP

The Sadler's Wells Royal Ballet is installed in its tent in a field somewhere behind the castle for the first week of the Edinburgh Festival...

ation directly communicative. Dancereuil greets a stunner as the ballet progressed, his shamed return to his father acquiring a dark-toned grief that was most impressive...



Marion Tait and David Morse

memory, nr of Cranko at his most automatic. There are good things in the ballet, not least David Morse's incarnation of Punch, which is danced with wonderful muscular verve and which hits a note of fine, vicious comedy in a vein with the luckless baby...

Assembly Hall

Troilus and Cressida

by B. A. YOUNG

Troilus and Cressida is an awkward piece. The tale of Troilus and his faithless mistress makes less than half the play, the rest being taken up with the rivalry of Hector and Achilles in the battles for Troy...

ensured that the narrative is indeed kept clear and straightforward. Jonathan Kent as Troilus is physically the smallest of the Trojan heroes. He is the one whose interest is not focused solely on the fighting...



Meg Davies, John Warner and Jonathan Kent

stage, though, is to suggest any real degree of intimacy. When the soldiers are talking all goes well, but love-scenes even between Achilles (Robert O'Mahoney) who also speaks the prologue in a suitably orgulous vein and Patroclus (Michael Derrington) are less convincing...

As Cressida, Meg Davies is never the innocent often suggested by her first scene, watching the heroes go by. She is a thoroughly sophisticated young woman, so skillfully does she hold up her own end when Pandarus tells his lobe about Troilus's single white hair...

He begins as an undistinguished Greek commander, one of the bunch, and acquires more and more individuality as his function in the play develops. The soldiers on both sides have a genuinely military quality about them. Both Agamemnon (Andrew Hilton) and Priam (James Cairncross in a golden mask) stand out as great men. As for the women — Andromache, Cassandra, even Helen — there is, alas, little joy for them. The reputation of the fair sex is left unrelentingly in the hands of Cressida.

Record Review

Donizetti and Mozart

by ELIZABETH FORBES

Donizetti Gabriella di Vergy. Andrew Davies, Arthur du Plessis, Tomlinson/Harrhy, Jones/Geoffrey. Mitchell Choir. RPO/Francis. Opera Rara OR 3 (3 discs). £10.99.

Mozart Le nozze di Figaro. Contrabas. Tomowa-Sintow; von Stade, Berbié, Zednik, van Dam, Krause, Kelemen, Baslin/Chorus of Vienna SO, Vienna. PO/Karajan. Decca. D1323 4 (4 discs). £21.00.

Verdi Un ballo in maschera. Callas, Ratti, Barbieri. Zaccaria/Orchestra and Chorus of La Scala/Votto. EMI. RLS 736 (3 discs). £11.95.

The first two of the sets listed above represent the stylistic extremes in operatic recording: on the one hand, an unknown work adequately performed by a team of respectable singers; on the other a familiar masterpiece sung by super-stars, not all of whom are suitably cast.

Gabriella di Vergy has one of the most complicated histories (fully investigated in the book accompanying the Opera Rara recording) of all Donizetti operas. Originally composed in 1826, to a text by A. L. Tottola already set by Michele Carafa, it was never performed in the composer's lifetime...

Alun Francis, conducting the TEPO, stresses the dramatic expressiveness of the score, but not at the expense of its more lyrical moments. As an interesting demonstration of Donizetti's developing style, the sixth side of this three-disc set contains some numbers from the original, 1826, Gabriella: a florid aria for Raoul, in this version a mezzo-soprano, sung by Della Jones with admirable panache and control...

Elizabeth Hall

Milhaud and Poulenc

The French dressing — a pungent one — on Monday's South Bank Summer Music concert was made from chamber works by Poulenc and Milhaud. Poulenc is now a firmly established favourite with London audiences. Milhaud, the bigger man, is half-forgotten. Why? Poulenc is a comparatively compact and consistent composer. The flavour of his music, to English ears, is recognisably "French," which really means "Parisian."

Albert Hall/Radio 3

Billy Budd by ANDREW CLEMENTS

The most claustrophobic of Britten's operas, Billy Budd, perhaps loses less than most in concert performance. The action never strays from the decks and quarters of HMS Indomitable, and the sound-world Britten creates with his biggest opera orchestra is memorably defined, always drawing the listener into the drama. Yet without theatrical trappings, the all-male cast and seamless construction of each act make changes of scene and characterisation difficult to register immediately...

performance on Tuesday evening that lost a little impact as a result. But a moving occasion it proved, strongly sung and vividly played by the WNO company conducted by Richard Armstrong. Billy Budd remains, however, a work in which the infelicities of the libretto sometimes obscure its force. Confronted in a concert performance with greater emphasis than usual on the words, the awkwardness of the rose grates; the singers then find their tasks that much more difficult. Thomas Allen's portrayal of the central character was well received in the Covent Garden revival earlier this year, but here seemed slow to crystallise, lacking an edge of freshness and openness in his farewell to his old ship, but finding more dramatic force as Act II developed through the accusation, murder and court-martial, at its most eloquent in Billy's farewell to Dabber before his execution. Forbes Robinson's Cloggart was less consistent, almost throwing away the cumulative force of his big Act I aria: "O beauty, O handsomeness," but elsewhere finding the appropriate dark tones to suggest a character whose badness is much more clear-cut in the

opera than it ever is in Melville's original story. Nigel Douglas's Captain Vere was less the pivotal character than he can sometimes appear, suggesting well Vere's prevarication and indecision, less impressive in his moments of intellectual force and dominance. For the rest, it was a thoroughly effective company performance (though Arthur Davies's Novice was so movingly sung as to stand apart, especially notable for its beautifully voiced chorus work, so important in the shanties which colour so much of the score and give it its haunting distinctive flavour.

Air Transport in the Developing World

SINGAPORE-NOVEMBER 20 & 21 1979

Air Transport is increasingly recognised as a major tool of economic growth throughout countries of the developing world. The expansion of both passenger and cargo traffic through the 1980's is likely to become one of the biggest areas of investment.

identify and suggest solutions to the problems this expansion may cause —

- * in purchasing new fleets of aircraft
* building new airports
* creating the complex infrastructure that civil aviation and the customer requires.

The Financial Times is arranging an aviation Conference devoted to Air Transport in the Developing World at the Shangri-La Hotel, Singapore on November 20 & 21.

For full details of the agenda and registration procedures, complete and return the coupon below.

A distinguished international panel of speakers will help to

AIR TRANSPORT IN THE DEVELOPING WORLD

Please send me full details of your conference "Air Transport in the Developing World"
Name _____ Company _____
Address _____
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ISCM Music Days 1980

The next Music Days will be held in Israel from June 29 to July 5, 1980. A British reading panel will select works for submission to the international jury.

The Israeli Section has advised that each national section may submit up to six works. Independent entries may also be submitted by individual composers, and music publishers, and radio stations may send works if accompanied by a written request from the composer.

Only one work by each composer may be submitted. Preference will be given to works composed within the last 10 years and the composer's curriculum vitae should accompany any score. Priority will be given to works sent by the national sections. Independent submissions should be sent by October 1 to: World Music Days, c/o Jerusalem Symphony Orchestra, Israeli Broadcasting Authority, P.O. Box 1082, Jerusalem, Israel.

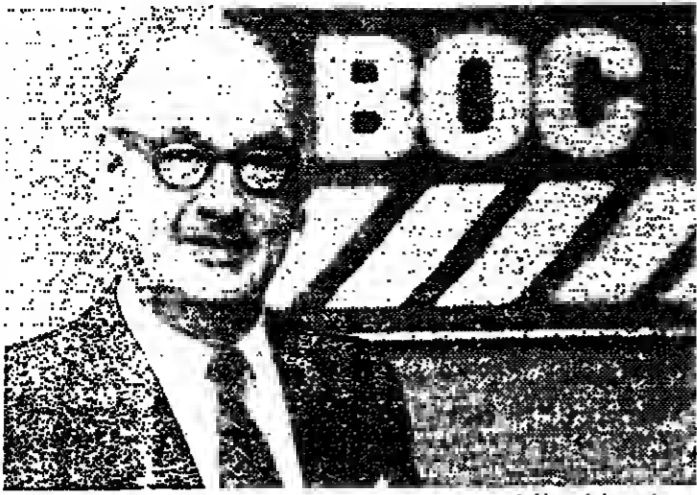
RONALD CRICHTON

Companies and Markets

UK COMPANY NEWS

BOC reaches £51m after lower third quarter

IN THE third quarter of 1979 profit, before tax, of BOC International, slipped from £22.6m to £19.1m, leaving the total for the nine months ended June 30 ahead from £48.5m to £51.4m.



Sir Leslie Smith, chairman of BOC International.

Johnson Cleaners boosted by acquisitions to £1.9m midway

BOOSTED BY acquisitions, Johnson Group Cleaners, dry cleaners, work wear and towel service concern, announces a rise in taxable profits from £1.34m to £1.88m for the 26 weeks ended June 30, 1979, or turnover ahead 37 per cent to £16.09m.

growth with a 39 per cent pre-tax improvement in the first half of 1979. Higher borrowings and interest rates have taken a little of the gloss off this performance but the group should be confident of better than maintained earnings in the second six months and on this basis the maximum prospective p/e at 157p, down 1p yesterday, would be 9.4. Seasonal influences should favour Capital and Counties Laundries in the July-December period and the first price increase for 11 months was pushed through in May.

fast food business until next Tuesday. Berni Inns is now the largest steak house chain outside the U.S. with 280 branches.

DIVIDENDS ANNOUNCED

Table listing dividends for Richard Clay, S. Hoffmann, J.W. Trust Guaranty Int, Johnson Group, Suter Elect, and Victor Products.

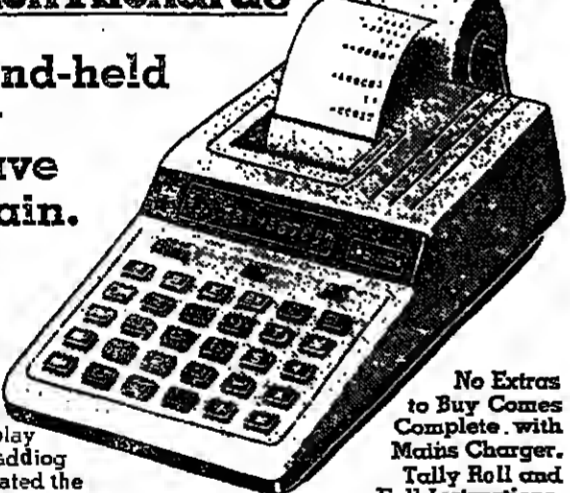
Hoffnung fails to make up shortfall

A 20 PER CENT increase in Australian profits was offset by a substantial reduction in the contribution from G and M Power Plant leaving the taxable surplus of S. Hoffmann and Co. behind at £1.34m for the year ended March 31, 1979 against £1.0832m to £1.325m.

subsidiary which last year contributed a quarter of group profits, has suffered a serious shortfall. Hoffnung is not alone in finding the generator market difficult at the moment, but with roughly 70 per cent of production flooding its way to overseas markets, the strong pound has taken its toll.

Selected by Simon Richards

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Why pay £79.95 for a Print-out/Display calculator or £100 for a big, bulky adding machine? Simon Richards have outwitted the big old-fashioned machine and the expensive price tag with an amazing go-anywhere concept.

Form for ordering the calculator, including fields for Name, Address, and Signature.

£176,329 for Suter Electrical

Including an exceptional debit of £48,000 against £26,215, pre-tax profits of Suter Electrical, hair salon equipment maker, finished the March 31, 1979 year ahead at £176,329 compared with a previous £138,431. Turnover was up from £1.77m to £2.34m.

holding up in most areas, says the Board.

Richard Clay advances to £1.1m at halfway

On turnover well ahead from £5.3m to £9.25m the taxable profits of Richard Clay and Co. advanced from £92,734 to £1.1m in the half-year to June 29, 1979.

holding up in most areas, says the Board.

Westminster Property up £30,000 at six months

Westminster Property Group, which for the whole of last year incurred pre-tax losses of £26,589 and had its accounts heavily qualified, reports taxable profits of £42,000 for the six months to March 31, 1979, against £12,000 last time.

the company said that all interest payable in Portugal had been treated as a development cost of the building. The company is still seeking a purchaser who will buy and complete to his own requirements.

London Brick tumbles to £3.1m at interim stage

TAXABLE profits of London Brick Company were more than halved in the six months to June 30, 1979. Eroded margins, the bad winter, the lorry drivers' strike and a low level of house-building combined to bring the surplus down from £8.73m to £3.07m. Turnover advanced from £22.7m to £26.9m.

BOARD MEETINGS

The following companies have notified their shareholders of Board meetings to be held for the purpose of considering dividends. Official indications are not available as to whether dividends are likely to be paid.

Berwick Timpo leadership bid meeting fixed for Sept. 19

BY ARNOLD KRANSORFF. THE SHOWDOWN between the directors of Berwick Timpo and the shareholders over the proposed takeover of the former chief executive who is fighting to return to the Board, is to take place at an extraordinary meeting on September 19.

all of whom, said Mr. Norman, had expressed their unhindered support for me and for the proposals which I subsequently made to Mr. Oakley.

Arlington well ahead in first quarter

At the annual meeting of Arlington Motors, Mr. Norman Housden, chairman, said management accounts indicated that results for the first quarter of the current year were substantially ahead of 1978.

Mr. Norman said that after his resignation, he had a number of meetings with major shareholders and also sought the advice of Charterhouse Japhet. Before agreeing to support him, Charterhouse Japhet had meetings with the managing directors of three of the company's principal operating subsidiaries.

Advertisement for ANSAMATIC telephone answering systems, featuring a telephone icon and contact information.

Advertisement for LONDON BRICK COMPANY LTD. featuring an INTERIM REPORT table with financial data for 6 months to 30 June 1979 and 30 June 1978.

Advertisement for Electra Small Companies Fund and Electra Small Companies Exempt Fund, managed by Electra Fund Managers Limited.

INTERNATIONAL CAPITAL MARKETS

Sonatrach to raise \$500m

BY JOHN EVANS

ALGERIA'S State oil and gas company, Sonatrach, has awarded Citicorp International Group a mandate to arrange a \$500m Eurocurrency financing.

The credit has been the subject of protracted negotiations between international banks and Algeria over the last few months. However, Algeria has now decided to provide a guarantee for the facility.

Citicorp is agent bank. Bank of America will handle the placing memorandum and Bank of Montreal will run the loan books.

AP-DJ adds from Paris: Mexico was the largest borrower from international banks in July with \$1.4bn, bringing its total for the first seven months of the year to \$4.4bn, according to the Organisation for Economic Co-operation and Development.

Fall in Eurodollar bond prices continues

By Nicholas Colchester

RISING short-term dollar interest rates continued to cause acute discomfit in the Eurodollar bond market yesterday. Prices in the market as a whole were off by only about 1/4 of a point, but there were some much larger falls in the quotations for poorly distributed recent issues.

Central bank guidelines move closer to reality

BY WONG SULONG IN KUALA LUMPUR

Malaysian financial circles have generally welcomed the new lending guidelines announced recently by Tan Sri Ismail. All the governor of Malaysia's central bank, Bank Negara, The new guidelines, bankers say, are more in line with reality.

Stricter penalties would be imposed on defaulters. Precedent suggests that the financial community should have little difficulty in meeting the new loan targets to Bumiputras, small enterprises, housing and manufacturing. Construction of residential houses is buoyant and is expected to remain so for at least another two years.

The biggest challenge that the new guidelines pose for the banks is the loan target for agricultural food production. The central bank wants loans to this sector to be raised progressively from 5 per cent at June 1980 to 10 per cent by December 1982, increasing at the rate of half of one per cent every six months.

Swedish bank in U.S. move

NEW YORK — A. G. Becker and Co. agents for Svenska Handelsbanken, confirmed yesterday that the Swedish bank began issuing commercial paper in the U.S. market last week.

In April the SEC permitted Australian Resources Development Bank to issue \$30m of commercial paper in the U.S. and earlier this month exempted seven foreign banks from the Act, apparently clearing the way for a "substantial" influx of such banks into the market.

In addition, Barclays Bank International, Barclays Bank Ltd., Scandinavian Bank Continental Bank of Canada, Banque Bruxelles Lambert and Postbanki have recently applied to the SEC for approval.

paper market for some time, but regulatory considerations prevented them from participating until now. The market provides an attractive alternative to the Eurodollar market as a source of funds for foreign banks, particularly as their involvement in the U.S. has grown.

Such conditions cast a pall over the chances for a mooted dollar issue for the Kingdom of Sweden, Nomura and Warburg are tentatively scheduled this \$100m offering for the end of the month, with 60 per cent earmarked for Japan and 40 per cent for Europe.

Commercial banks, for example, were required to increase at least 20 per cent their new increases in loans since 1977 to the Bumiputra (Malay) Community, 16 per cent to small business enterprises, 10 per cent to manufacturing, and 10 per cent to agricultural food production.

Although defaulters will meet with stricter penalties, the new lending guidelines laid down for Malaysia's banks are plainly flexible. The central bank is willing to accommodate any bank finding it difficult to meet loan targets.

Even so, most banks concede that they will have difficulty in meeting the targets set. They point out that nowadays, not many large-scale agricultural projects are undertaken by the private sector.

Further sales at Bankers Trust

BY STEWART FLEMING IN NEW YORK

BANKERS' TRUST, the major New York bank, which has announced plans to cut back sharply on its branch banking in order to concentrate its efforts on serving corporate customers and wholesale banking, yesterday announced that it has reached agreement in principle to sell a further 19 of its New York City branch offices.

Hanover Trust, the third largest New York bank, which is proposing to buy eight offices with deposits of \$75m.

foreign-owned banks, Barclays Bank of New York, National Bank of North America (the National Westminster bank subsidiary in the U.S.), and Bank Leumi Trust of New York, the subsidiary of the large Israeli bank, for the sale of 55 branches with deposits of around \$650m.

Gain at Parker Hannifin

By Our Financial Staff

A STRONG final quarter at Parker Hannifin, which produces fluid systems and components, has lifted per share earnings from \$3.05 to \$3.75. This compares with recent forecasts of \$3.65, with a further modest increase next year.

Slowdown at Allied Stores

By Our Financial Staff

GROWTH in sales and earnings of Allied Stores, one of the largest department store groups in the U.S., showed a modest slowdown in the second quarter.

Under the new central bank rules directives are based on total loans outstanding, and not on net increases in loans. As a result commercial banks are asked to channel at least 17 per cent of their total loans outstanding as at June 1979, to Bumiputras, 20 per cent to small enterprises, and 5 per cent to agriculture.

Loans to small enterprises, for example, were 20 per cent of total loans outstanding as at June 1979, but are now required to be 25 per cent.

But the central bank would like to see the proportion of loans to small enterprises rise to 30 per cent by the end of 1982.

Dominica to expropriate G & W land

SANTO DOMINGO—Sr. Francisco Pena Gomez, secretary general of the ruling Dominican Revolutionary Party, has said that the expropriation of Gulf and Western Industries' land in the Dominican Republic should be undertaken as soon as possible.

sooner or later, the lands of Central Romana—where Gulf and Western's sugar refinery is located—and the gold and silver extracted by Rosario Dominicana S.A. and the nickel mined by Falconbridge at Loma La Pegasus in Bonao, will be part of the patrimony of the Dominican people.

St. Gomez's remarks followed reports that Gulf and Western owes the Dominican Government millions of dollars from a sugar futures deal in 1974 and 1975.

Gain at Parker Hannifin

Total net for 1978-79 has jumped by 26.7 per cent to \$50.2m, on sales 21.6 per cent higher at \$446.4m. The final quarter brought in a 2.3 per cent gain in net earnings at \$15.7m, or \$1.12 a share, on sales 23.7 per cent up at \$233.4m.

Slowdown at Allied Stores

Earnings gained 18.8 per cent to \$8.2m on sales 6.5 per cent higher at \$466.5m. Share earnings rose from 34 cents to 40 cents.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published in the FT International Bond Service.

OTHER STRAIGHTS

Table with columns: Issued, Bid, Offer, Change, Yield. Lists various international bonds like U.S. Dollar, Straights, etc.

FLOATING RATE

Table with columns: Issued, Bid, Offer, Change, Yield. Lists floating rate bonds like BNP, Citicorp, etc.

AUSTRALIAN NEWS

Mystery buyer of Ampol increases shareholding

BY JAMES FORTH IN SYDNEY

THE MYSTERY buyer of shares in Ampol Petroleum stepped up its activity yesterday despite an agreement between Ampol and its major shareholder, Ansett Transport, which greatly reduces the possibility of a takeover of either company.

Over the past two weeks Ampol and Ansett have mounted share buying raids on each other, on and off the stock market, which ended following a truce with both companies owning 20 per cent of each other.

However, late last week a third party, operating through Sydney sharebroker Ord Minnett, began buying Ampol shares. On Monday, as part of their truce, Ampol and Ansett agreed not to act in a way detrimental to each other.

Upsurge at Tubemakers

BY OUR SYDNEY CORRESPONDENT

PIPE MANUFACTURER Tubemakers of Australia plans a one-for-five scrip issue following a 61 per cent jump in profit for the year to June 30. Earnings rose from A\$11.38m to a record A\$18.35m and easily outstripped the 16 per cent growth in sales, which rose from A\$357m to A\$414m.

Swiss Bank Corporation

BY OUR SYDNEY CORRESPONDENT

Swiss Bank Corporation has announced a dividend of 5 cents a share, payable on August 15. The dividend is a 10 per cent increase on the previous year's dividend of 4.5 cents.

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Advertisement for GMAC Overseas Finance Corporation N.V. featuring the GMAC logo and details of a \$100,000,000 9 1/2% Notes due July 1, 1986. Also mentions General Motors Acceptance Corporation and Chemical Bank International Limited.

Advertisement for Tubemakers of Australia, highlighting a 61% profit increase and a one-for-five scrip issue. Includes contact information for James Forth in Sydney.

Advertisement for FT International Bond Service, providing a detailed list of international bond issues with columns for Issued, Bid, Offer, Change, and Yield. Includes sections for U.S. Dollar, Straights, Floating Rate, and Convertible bonds.

INTERNATIONAL COMPANIES and FINANCE

Singapore bank lifts earnings sharply

George Lee in Singapore
OF THE big four Singapore banks, United Overseas Bank reports a near one-third increase in half-year profits and has added to make a one-for-ten issue.

Champagne shares change hands

David White in Paris
AN IMPORTANT change in the structure of the French champagne business has begun to take shape with the sale of a locking minority interest in the Domery et Greco group.

Estel moves back into the black in second quarter

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH-GERMAN steel group Estel moved out of the red in the second quarter of 1979 although the considerable deficit of the preceding quarter meant that the company still made a loss for the first six months.

A rise in steel production and deliveries meant that this division made a positive contribution to the result. Deliveries and turnover in the steel processing division were also higher.

Squeeze on margins at China Engineers

By Our Financial Staff

ESCALATING costs have prevented The China Engineers from capitalising on a 43 per cent jump in turnover to HK\$ 737m (US\$143.8m) in the year to June 30, 1979.

Uddeholm on recovery path

BY VICTOR KAYFETZ IN STOCKHOLM

INTERIM figures from Uddeholm, the Swedish special steel and power generating group, indicate that the company is on line to achieve its first full-year profit for three years.

reported a 20 per cent rise in pre-tax profits to SKr 63.8m (US\$15.1m) for the year ended March 31. Turnover of its 11 operating subsidiaries totalled SKr 1.56bn an increase of about 15 per cent after adjustments for changes in group composition.

German retailer cuts losses

BY JONATHAN CARR IN BONN

HERTIE, one of West Germany's leading department store groups, cuts its loss to DM 32.5m (\$32.5m) last year from DM 86.6m in 1977. But it remains unclear whether the recovery will continue this year.

energy costs and the raising of Value Added Tax in July will make an impact on this year's results. Investment in 1978 totalled DM 193m.

Danish chemicals group experiences setback

BY HILARY BARNES IN COPENHAGEN

SUPERFOS, THE Danish chemicals group, reports first half earnings down from DKr 156m to DKr 110m (\$20.8m) and for the whole year expects profits to emerge considerably below the exceptionally good result in 1978.

Hong Kong link for AGF

PARIS — AGF Reassurances, a subsidiary of the French insurance group Assurances Generales de France (AGF) has acquired an 8.25 per cent shareholding in East Point Reinsurance Company of Hong Kong.

Profit at Korf but no payout

By Our Financial Staff

THE KORF group of steel and engineering companies expects a 50 per cent jump in group turnover to more than DM 1bn (US\$545.9m) and its steel making operations are likely to show a profit for the first time in four years in 1979.

O.P.M. Leasing Services, Inc. Computer Lease Financings. \$32,344,760. Since June 21, 1979, the undersigned has arranged the private placement with institutional investors of Secured Notes of O.P.M. Leasing Services, Inc. in the above aggregate principal amount.

AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A. YEN 6,000,000,000. THE STATE OF SPAIN. CITICORP INTERNATIONAL GROUP. THE TOYO TRUST AND BANKING COMPANY, LIMITED. SUMITOMO MUTUAL LIFE INSURANCE COMPANY.

Banque Nationale de Paris Limited. U.S. \$75,000,000. Floating Rate Certificates of Deposit due 1984. The placing of these Certificates has been effected. August, 1979.

ADIG GROUP OF FUNDS. Payable as from the 1st August 1979. Adiropa (European) Coupon No. 20 Dmks. 1.35f. Adiverba (Insurance and Bank shares) Coupon No. 16 Dmks. 1.63f.

TO HOLDERS OF LANCASHIRE COUNTY COUNCIL 9 1/2% BONDS 1978/81. With reference to the redemption notice of 15th August 1979. Please note that the amount of bonds called should read US\$7,500,000.

Weekly net asset value on August 20, 1979. Tokyo Pacific Holdings N.V. U.S. \$67.47. Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$49.16.

VONYOBELEUROBOND INDICES. 145.76=100%. PRICE INDEX 14.8.79 21.8.79. AVERAGE YIELD 14.8.79 21.8.79.

NOTICE TO HOLDERS OF Kao Soap Company, Ltd. (Kao Seikden Kabushiki Kaisha) 6 per cent Convertible Bonds 1992. Payment to Condition 5(c)(ii) of the above Bonds, notice is hereby given that because of issue of 12,500,000 new shares of Common Stock in Japan, the conversion price of the Bonds has been adjusted.

FINANCIAL TIMES SURVEY

Thursday August 23 1979

مكزامن النجھل

VIENNA

World's third U.N. centre

With the official inauguration of the vast international centre on the banks of the Danube, Vienna underlines its position as one of the world's meeting places. In this Survey, Paul Lendvai, our Vienna correspondent, looks at the city's significance as a diplomatic, political and business centre.

WHATEVER THE ultimate fate of the second strategic arms limitation Treaty (SALT II), signed on June 18 by President Jimmy Carter of the U.S. and by the Soviet party chief, President Brezhnev, in the historic Hofburg Palace in Vienna, their summit meeting dramatically underlined Vienna's role as a central market place for peace negotiations, as a traditional stage for international gatherings.

The more than 2,000 journalists covering the first personal encounter between the leaders of the two superpowers were time and again reminded that Vienna is not just the capital of a curiously shaped, and landlocked small country, but a city of imperial splendours which, until the collapse of the Austro-Hungarian empire, was the centre of a great empire with 52m people representing 11 different nations.

In a very real sense, therefore, the opening of the vast international centre on the banks of the Danube, which in Vienna is called "the U.N. city," symbolises both for the world at large and for Austria's 7.5m people, that Vienna still has an international function to fulfil which goes beyond the Danubian base or even the framework of East-West relations.

The fact that the official inauguration of the U.N. city coincides with the largest ever international meeting, the U.N. conference on science and technology attended by almost 5,000 participants from all over the world, is a fitting reminder that Vienna's emergence as the third U.N. metropolis after New York and Geneva also has global implications.

Vienna's bid for international recognition and the significance of the international centre which in all will cost the federal state and the municipality Sch 9bn (about £300m), and together with a large Austrian conference centre, as much as Sch 16.5bn—cannot be properly understood without a glance at the past.

Background

The achievements, and frustrations, must be seen against the background of the sudden change transforming the cosmopolitan capital of the Habsburg empire into the capital of the truncated remnant. Then came traumatic shocks such as the civil war of 1934 between "black" and "red," the Anschluss in 1938, and the forced incorporation into Hitler's Third Reich. The difficult years of the 1939-45 war and the following decade of four-power occupation saw the birth of a new Austrian state and of national consciousness.

Austria's post-war bid to regain its once pre-eminent role as an international meeting place of world leaders, diplomats and traders, always has been strengthened by the memories of past greatness. As early as 1515 Emperor Maximilian I called the first, albeit long-forgotten, congress, of

Vienna the "Fuerstentag," as assembly of reigning princes in Vienna.

It is however the 1614-15 Congress of Vienna which ranks in the history books as the turning point, producing a century-long balance of power in Europe. This is the reason why at every major international gathering, the foreign guests or the Austrian hosts allude in one way or another to the long tradition of Vienna as "a meeting place, as a place where understanding can be sought between East and West." In April 1970 the then Austrian Foreign Minister, Dr. Kurt Waldheim, greeted the American and Soviet delegations with these words at the opening of the SALT negotiations.

In the meantime Dr. Waldheim has become Secretary-General of the United Nations and it is in this capacity that he participates at the festivities and expresses his thanks for what can only be called a present of the Austrian taxpayers for the international community.

The often forgotten point is that the erection of the large complex, providing permanent office space for more than 3,000 and "at full capacity" for 4,600 international civil servants, was fully financed by the Austrian state (65 per cent) and the municipality of Vienna (35 per cent). It is leased to the United Nations for 99 years and for a symbolic rent of one Schilling (just over 3p) per annum.

The Austrians resent malicious hints that Vienna's future as a U.N. centre looks bright mainly by virtue of Dr. Waldheim

being Secretary-General of the world organisation. In fact, Vienna's emergence as an international centre began long before, in 1958 when the Austrian capital was chosen as the seat of the International Atomic Energy Agency and in 1968 as headquarters of the United Nations Industrial Development Organisation (UNIDO). At that same time, the then government, headed by Chancellor Josef Klaus, of the People's Party, underwrote a commitment concerning the provision of permanent office facilities for both international organisations.

Limit

The root of some subsequent controversies lay in the failure of the Austrian government of the time to set an exact ceiling as far as the size of the project and the number of employees of the two international organisations were concerned. It was only in the autumn of 1972 that the government of Chancellor Bruno Kreisky, who in 1970 replaced Dr. Klaus as Premier, managed to get a limit on the capacity of the building.

The two UN organisations reluctantly agreed to accept a ceiling of 4,600 people instead of the originally demanded capacity for more than 7,000. Subsequently, a special operating company, called somewhat clumsily Internationales Amtszentrum and Konferenzzentrum Wien AG, better known by the initials IAKW, was founded by the State and the municipality of Vienna, and actual construction began in spring, 1973.

In the following years, partly under the impact of the world energy crisis, the mood has changed and at one point the Austrians were even faced with the problem of finding provisional or permanent tenants for the unused space in the course of redevelopment schemes. However, it is now taken for granted that the capacity will be fully utilised within a relatively brief period, partly also as a result of moving some minor outfits from New York and Geneva to the Austrian capital.

The Austrian Government has time and again been subjected to pressures by some top international bureaucrats who haughtily demanded the most luxurious installations and in the end began to complain about the excessive operating costs—first coming so far as in demand that the Austrians should also pay the operating costs. In the end, Chancellor Kreisky seemed to provide part of the solution.

Construction of the ambitious international complex has been all along, as so much in Viennese history, a highly controversial subject, on issues such as the selection of the architect, the sky-rocketing costs and the plan to build also a large Austrian congress centre alongside the international complex. At one point the issue also became a bone of contention in the election campaign, but by now both the governing Socialists and the opposition People's Party, jointly, claim credit for Vienna's successful bid for recognition as an international meeting place.

In the period while the U.N. city was going up, Vienna has been host to the 19-nation East-West talks on troop reductions in Central Europe (MEF) and one should also remember that the SALT talks initially alternated for 21 years between Vienna and Helsinki, before moving to Geneva in Autumn, 1972.

The meetings of President Sadat of Egypt with Mr. Simon Peres, the Israeli opposition leader, and the important encounters between Dr. Henry Kissinger when he was U.S. Secretary of State with Mr. Gromyko, then Soviet Foreign Minister, have contributed to Vienna's image as an international meeting place. As have the so far unsuccessful Greek-Turkish-Cypriot meetings on the future of the divided island of Cyprus and last but not least the controversial meeting of Mr. Yasir Arafat, the PLO leader, with Herr Willy Brandt, the former German Chancellor and current President of the Socialist International in the company of Chancellor Bruno Kreisky.

Finally, who could forget during the Brezhnev-Carter summit that 18 years earlier Vienna was the scene of the by-now legendary meeting of President John F. Kennedy with the Soviet leader, Nikita Khrushchev? Nevertheless, only four days before Christmas 1978, the Austrians also learned the disadvantages of playing host to a gathering of high-powered but controversial oil sheikhs and petroleum ministers. On December 21, a pro-Palestinian

terrorist gang occupied the headquarters of OPEC (Organisation of Petroleum Exporting Countries), seized 70 hostages, including ministers from 11 oil states and killed three people, among them an Austrian policeman.

Despite this spectacular act of terrorism and the much-criticised failure of Austria's authorities to provide more adequate security precautions, OPEC, which moved to Vienna in the mid-1960s from Geneva, has so far remained in the Austrian capital.

Question

Many Austrians and quite a few foreign observers have raised the question as to why this small country is spending so much on attracting international visitors and organisations. Evidently, money plays a great part. The Austrians are past masters at converting charm into cash and the so-called congress tourism brings to the city visitors who spend almost 50 per cent more per head and also stay longer than the average holidaymaker. Thus both the hotels and the retail trade are keenly interested in promoting Vienna as a congress centre.

To offset criticism in the popular newspapers, the Austrian authorities also stress that a large part (between 60 and 70 per cent) of the budgetary expenditures of the international organisations and 80 to 90 per cent of the salaries of their employees are spent in Vienna and that about 1,500 highly qualified Austrians are

also employed by the international bodies.

However, Vienna's emergence as a respected and favoured international meeting place is also regarded as a vital factor of international security for a small country with a minuscule army, sharing a common border with two Warsaw Pact countries—Czechoslovakia and Hungary—and in the south with tension-ridden Yugoslavia.

Chancellor Kreisky, Austria's leader since the 1989-45 war, who last May achieved his fourth consecutive electoral victory, is an advocate of an activist neutrality policy and regards the U.N. city as part of the permanent efforts to consolidate Vienna's position as a centre of international diplomacy.

Another important tribute to the country's political stability was the choice of Aspern, near Vienna, by General Motors as the site for a large engine plant providing 1,500 jobs, announced on the eve of the U.S.-Soviet summit. Few people know that Vienna is not only a meeting place of diplomats and tourists, but also a banking, commercial and industrial centre. Though accounting for only 21 per cent of Austria's population, the city has provided between 27 and 30 per cent of the country's aggregate GNP in the 1970s.

As a contact point for trade with the East, Vienna has been chosen by 450 Western and Eastern companies as headquarters for operations in both directions. Regrettably, the Government has failed so far to heed the advice of top bankers and create a more attractive tax environment for international trading and finance companies.

As a result of the U.N. city and other large construction projects, Vienna's face is changing. The capital of a country with a sound economy, one of the hardest currencies of the world, currently also the lowest inflation rate in Europe and an enviable record of social peace, dedicated to both neutrality and western democracy, is ideally suited to become what Chancellor Kreisky calls "one of the political capitals of the world."

Creditanstalt. The name for Austria's leading bank: a name you'll now find in 'UNO City'

Creditanstalt has the distinction of being both Austria's premier national bank and the nation's leading international bank.

With this background, it's not surprising that we've been serving the needs of UN personnel and organisations for the past twenty years—and very much enjoyed doing so. And now, with the opening of a new branch in the Vienna International Centre ('UNO City'), we are even better placed to be of service.

With our worldwide connections, an account with us can be the shortest route to your own bank at home. And we will be happy to work with your established bankers on your behalf.

Creditanstalt provides all the regular banking facilities, including current accounts, deposit accounts, credit transfers, cheque cards, medium and long-term loans and expert advice on investment. In fact financial expertise in all its aspects.

We also provide something extra in the way of service, in the very personal attention we give to each account, and in the efficiency and speed with which financial transactions are completed.

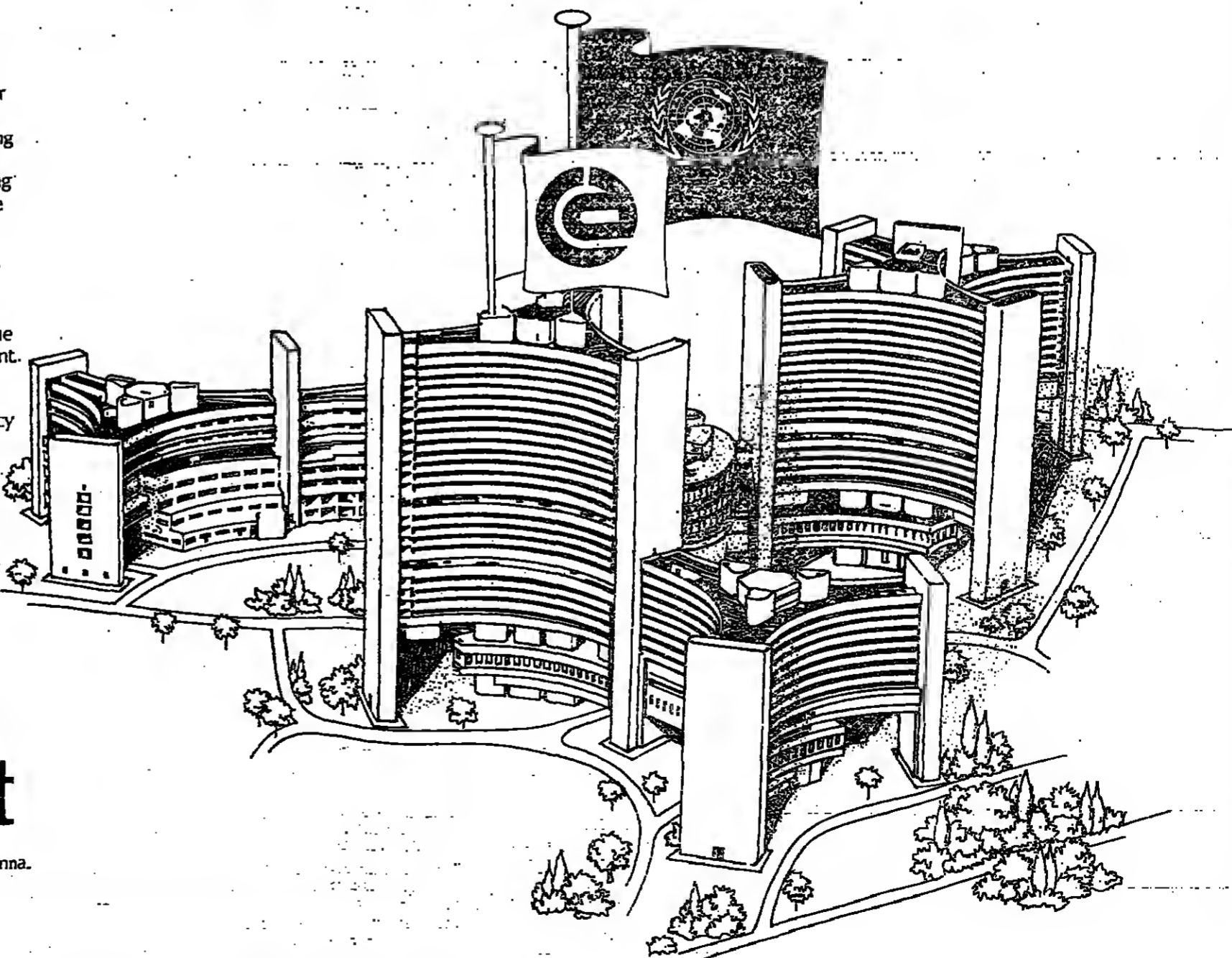
Now, with our new branch at your disposal, in addition to branches throughout Austria, Creditanstalt offers an experienced—and enthusiastic banking service, on call to commerce and industry, private individuals and institutions alike.



Creditanstalt

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VIENNA II

City's importance as a business centre

THE DECISION of the General Motors Corporation, announced in early June this year, in favour of Aspern, near Vienna, as the site for a large engine plant has marked both a practical and symbolic success for Chancellor Kreisky's socialist Government and the municipality of Vienna, headed by Mayor Leopold Gratz.

The large-scale investment grants, offered by the federal state and the city of Vienna involve one-third of the costs of the \$150m project as well as providing a site free of charge. The federal state will put up two-thirds of the \$50m grant with the municipality providing the rest.

As the engine plant means 1,500 jobs and also large purchases from Austrian subcontractors, the General Motors project, involving in the final phase the manufacture of 300,000 car engines a year, also points to the growing significance of Vienna and its surroundings as a business and industrial centre.

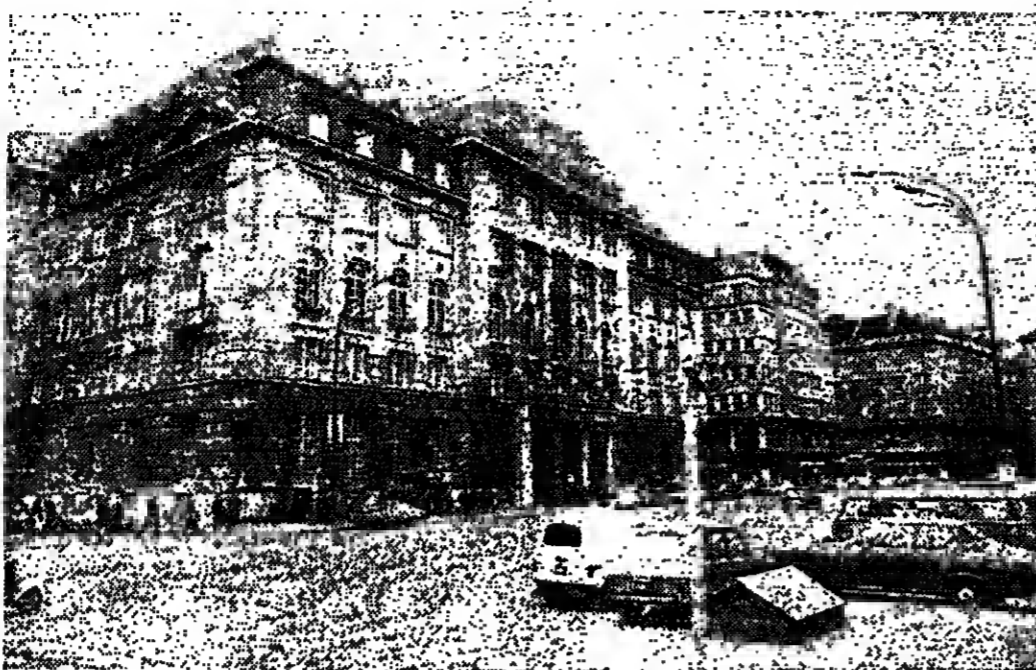
With 21 per cent of the inhabitants and 23 per cent of the active population, the capital provides about 26 per cent of the jobs and contributes between 27 to 28 per cent to Austria's aggregate GNP. At the same time, it is also true that Vienna's share of Austria's GNP has fallen sharply from 31 per cent in 1964 partly as a result of the westward pull accentuated by the structural and geographical disadvantages.

A further negative factor affecting the city's development is the steady reduction of the active population, coupled with a rising proportion of old people.

However, it is perhaps even more important that the Communist take-over in Eastern Europe also isolated eastern Austria, that is Vienna and the provinces of Lower Austria and Burgenland from their natural trading partners. The eastern region, comprising about 28 per cent of the total Austrian territory, accounted in the early 1970s for 47.3 per cent of the aggregate GNP as against 50.5 per cent in 1964. Though the East's share also fell from 54 per cent in 1934 to 43.5 per cent of the total population by 1976, Vienna, Burgenland and Lower Austria constitute by far the most powerful region.

Since the conclusion of an agreement between the three governors of the three Länder (Vienna is both a municipality and a land or province), it is hoped that economic and administrative common sense will at long last prevail. Vienna remains of course the economic centre of the eastern region accounting for over 60 per cent of the gross regional product and providing jobs for 62 per cent of the non-agricultural active population.

Meanwhile, the General Motors project must be seen against the successful efforts of Wübg, the industrial siting corporation, to attract new industries to the capital and the surrounding area. According to its own latest estimates, Wübg in the last ten years has helped to settle 180 manufacturing and trading companies involving investments made or planned to the tune of Sch 7.5bn. Wübg not only develops



As an important contact point for trade with the East, Vienna has been chosen by 450 Western and Eastern companies as headquarters for operations in both directions. All major Austrian banks have a key role in providing finance for East-West trade, where Western sellers are increasingly faced with counter-purchasing requirements. Above: The main Credit Bank, on the Schotten Gasse, Vienna.

new industrial parks, but also rehabilitates and redevelops old factories. The municipality has increased its spending on the provision of special subsidies for projects, promoting genuine innovation and technological progress, as well as subsidised export loans. The municipality currently offers 18 kinds of cash grants, subsidies and promotion measures. The banks as well as the

Other new ventures aimed at revitalising old and attracting new industry and trade include the provision of special subsidies for projects, promoting genuine innovation and technological progress, as well as subsidised export loans. The municipality currently offers 18 kinds of cash grants, subsidies and promotion measures. The banks as well as the

municipality and the Ministry of Trade's special advisory body vie with each other to provide help and advice for the newcomers to Austria and to the capital. Why then has the General Motors project been criticised by speakers of the business community and some commentators?

While recognising the advantages, also involved for the subcontractors, Herr Karl Dittrich,

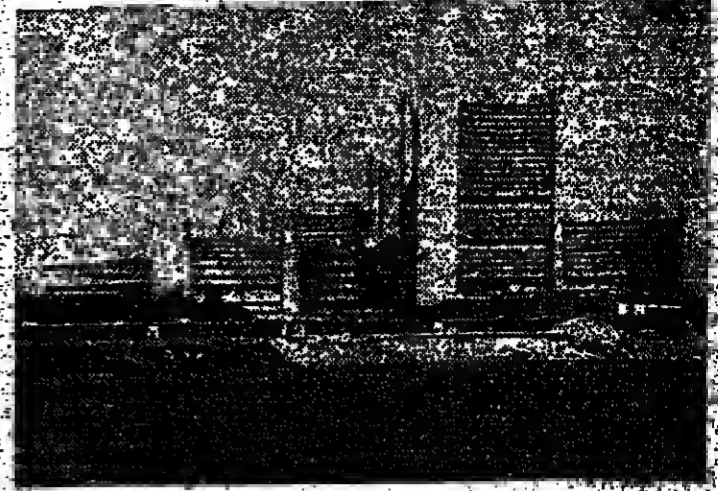
president of the Vienna Chamber of Trade, has echoed an opinion, shared by many small entrepreneurs, that the 60,000 businessmen in Vienna could also create additional jobs without getting a cash grant of Sch 1m for each new job.

Yet nothing could illustrate the contradictory trends better than the fact that while many people regard the grant for General Motors as far too excessive, provincial newspapers complain bitterly that Vienna, Aspern and not the sites offered in Styria or Carinthia have been chosen.

It is still possible that General Motors will decide within a couple of years to set up an assembly plant in the Aspern area. The location provides a fully developed infrastructure and is close to a canal leading to the Danube, which could be particularly helpful when the Rhine-Main-Danube canal is completed. The proximity to Eastern Europe and the excellent record in labour relations are powerful arguments in Austria's favour.

As far as the construction sector is concerned, the large projects in Vienna such as the international centre on the Danube, the underground system and a large hospital project contributed to the doubling of the output in value between 1970-78 and increased the eastern region's share from 42.8 to 45.3 per cent of the total Austrian figure.

It remains to be seen how far the latest developments will engender new investment confidence and stop the westward shift from Vienna.



The international centre on the banks of the Danube.

Gateway to Eastern Europe

FOR REASONS of history, geography and expertise, Vienna is a traditional gateway to—and contact point with—Eastern Europe.

Before turning to statistics which show that in proper national terms, Austria is more closely involved in trade with the Communist east than any other West European country, it is important to recall the role of the special role played by this small country in the Danube Basin.

For centuries, Austria was the heart of the Hapsburg Empire with 52m people, representing a myriad of nations and smaller ethnic groups, with a medley of religions, languages, traditions and lifestyles.

Dominating the economy of the countries in Central and Eastern Europe, Austria's total exports, as a further consequence of its special role, are estimated to be 20 per cent of its exports—between 18 and 20 per cent including Yugoslavia—in Eastern Europe. No other non-Communist country, except Finland, sends such a large portion of its exports—between 18 and 20 per cent including Yugoslavia—to Eastern Europe.

It is estimated that by the end of last year the indebtedness of Communist states including Austria, reached some Sch 45bn.

The scope of trading and financial transactions with the Communist countries provides the basis for the special expertise of the Austrians in general and the Viennese in particular, vis-à-vis the East.

In addition to the conducive environment created by Austria's permanent neutrality and the by now almost legendary labour peace, Vienna is also a meeting place of scientists, bankers, and economic experts dealing in one way or another with the Communist world.

Thus, the small but highly-qualified staff of the Vienna Institute for International Economic Comparison regularly publishes studies and surveys on economic trends in East-West trade and in the individual Comecon countries.

It also organises international workshops on such burning issues as the future energy supplies, which are usually attended by prominent experts from East and West.

The Vienna East-West Conference last March brought together top East European executives of state-owned companies and trade agencies with a number of leading American and West European businessmen.

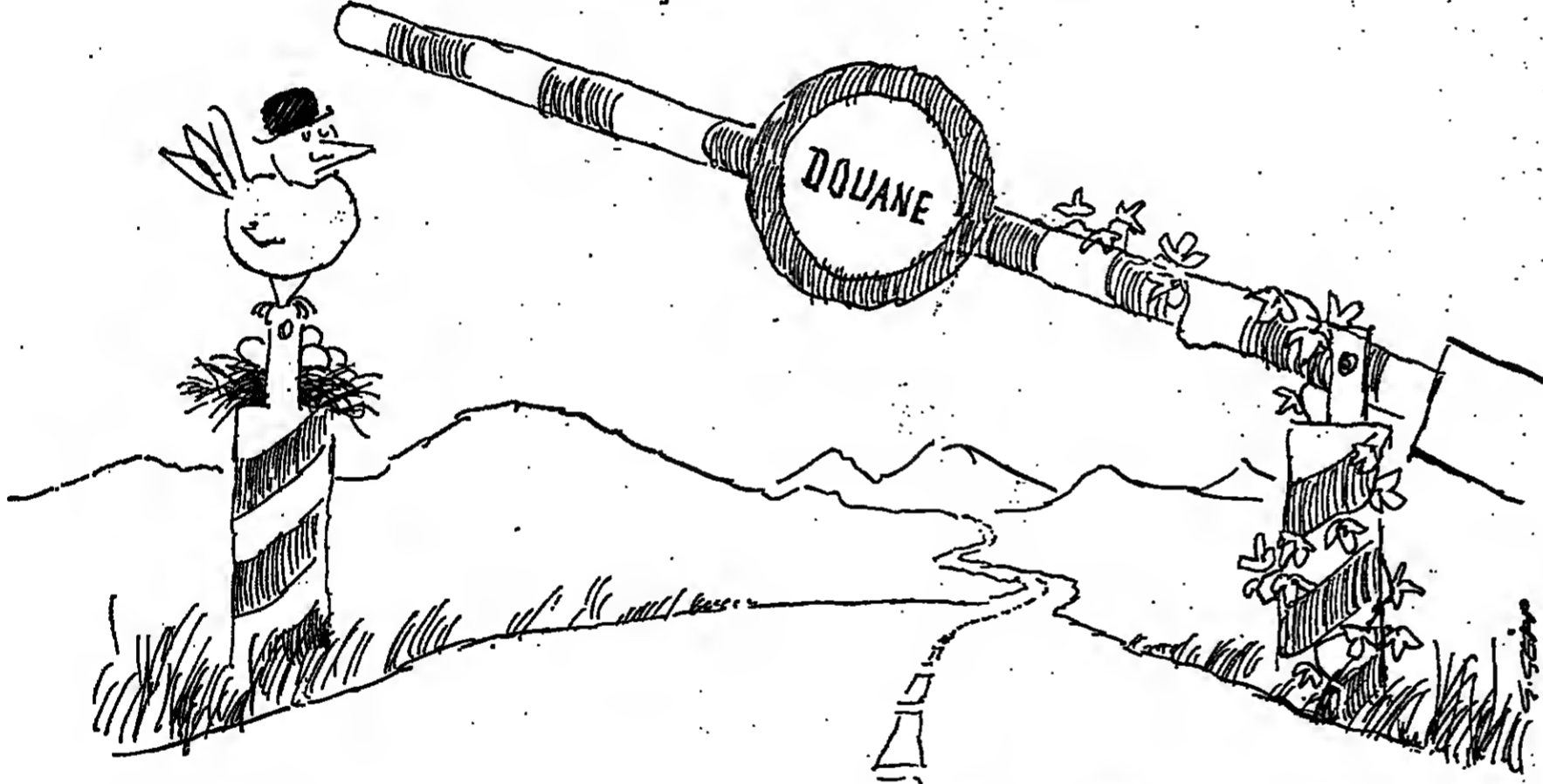
According to the latest estimates there are now some 50 East European firms operating in Vienna, in addition to the Soviet-owned Donaubank and Garant Insurance Company and the Central Wechsel and Creditbank AG, a traditional Hungarian banking outlet. Eastern Europe is also represented in force at the annual spring and autumn fairs in Vienna which provide a traditional contact for traders from East and West.

The latest example that the Austrian (even six decades after the demise of the Habsburg monarchy) still knows the mentality of the people in Eastern Europe better than any other competitor is provided by the Austrian Airlines (AUA).

The Austrian carrier which offers an over-the-average number of direct flights to all East European capitals will for the first time erect a typical Viennese café at the International Fair in Plovdiv, Bulgaria, where, between September 3 and 10, Bulgarian and foreign visitors can enjoy not only traditional Viennese pastries but will also be able to read the latest Western newspapers. The Viennese café will also be displayed at specialised fairs in Moscow and Bucharest later this year. It is this unique approach, rooted in Viennese tradition, which not even the Düsseldorf or Tokyo could invent, let alone imitate.

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CONTINUED

Nerve centre of banking sector

A WALK in the centre of Vienna or a drive to the suburbs, even to those residential areas where the famous villas rather than stores dominate, will convince the casual visitor that banking has gradually become one of the most dynamic sectors of Austria's economy. The physical evidence in the proliferation of branches is matched by the number of bank employees, which almost doubled to 56,000 between 1967 and 1978. During the same period overall employment was up by only about per cent.

Vienna is the nerve centre of Austrian banking. Even in 1972 it provided 55 per cent of the contribution of the banks and insurance companies to the gross National Product and accounted for 41 per cent of total employment in banking. Considering that between 1961 and 1971 the number of employees in banking and insurance had already risen by 38 per cent, it is not surprising that their proportion of total employment in the capital, it is not too far-fetched a conclusion to reach that by the end of this decade one in 10 of gainfully employed Viennese may well work in one of the banks. The number of branches and offices countrywide has jumped since 1961-1977 by one-fifth to a grand total of 4,489.

The new banking law has formally liberalised the estab-

lishment of new bank branches. The all-out competition among joint stock banks, credit institutes, savings banks and farmers co-operatives has led to complaints that Austria in general and Vienna in particular are in danger of becoming seriously "over-banked." The ratio is currently one bank branch per 1,700 inhabitants and there is no sign of a pause — let alone an end — to the corresponding race for the small man's money.

Competition

Competition in banking has spread throughout the various sectors, pitting, for example, the large savings banks against each other, while their central institute, the Girozentrale, warns against the danger of diluting the combined strength of the entire sector by dangerous go-it-alone initiatives. The main attention is being directed at the controversial activities of the two large Vienna-based savings banks. Of these, the Central Savings Bank (Z-Bank) of the Vienna municipality had last year consolidated assets to the tune of Sch 75.7bn, placing it fourth in the Austrian bank league. The First Austrian Savings Bank reported a consolidated balance sheet of Sch 54.4bn. Girozentrale is the No. 2 institute, with assets of Sch 121bn, preceded only by the Creditanstalt Bankverein (CA)

with Sch 142.85bn at the end of 1978.

Recently the Central Savings Bank came under public attack because its new wholly-owned subsidiary, EFG (Exportförderer und Exportberatung GmbH) with a capital of Sch 10m, has become the beneficiary of large-scale export finance projects heavily subsidised by the municipality. Under the scheme any company which pays half of its wage tax and produces 30 per cent of its output in value in Vienna can profit from export credits at a subsidised rate of a mere 6 per cent. On the basis of Sch 100m provided by the city of Vienna, up to 90 per cent of the export finance is guaranteed.

The new scheme is motivated by the fact that because of the special structure of the Viennese economy and industry, exports account for only 23 per cent as against 30 per cent for the Austrian industry as a whole.

The selection of the Central Savings Bank which is also the oldest established "housebank" of the municipality, has now been publicly criticised by Dr. Heinrich Treichl, director-general of the Creditanstalt and chairman of the prestigious Association of Banks and Bankers. He stressed in a formal statement that many other credit institutes had also been engaged for a long time in promoting and financing exports without enjoying special and unilateral treatment by public authorities.

Under the leadership of Dr. Treichl, Creditanstalt has been the pacemaker in the 1970s in forging closer links between

Austria and the international financial centres. The bank has joined the Elic multinational consortium and acquired a substantial holding in the Wirtschaftsbank and Privatbank of Zurich along with the Bayerische Vereinsbank and Anthony Gibbs Holding. The other joint stock bank, Oesterreichische Laenderbank, is associated with the Abecor multi-bank group, while Girozentrale has shareholdings in the Handelsbank of Zurich as well as a minority interest in the Vienna-based Chase Manhattan subsidiary. Other major banks such as GZB (Genossenschaftliche Zentralbank) and Bawag, the unions' bank, are also involved in international ventures, including Vienna-based multi-bank consortia specifically founded to finance East-West trade.

Initiative

The latter include the Centro Bank set up at the initiative of Austrian banks together with Poland's Bank Handlowy, Kleinwort Benson of London and Bank of Tokyo, as well as Spanish and Italian credit institutions. Bawag, Bankhaus Winter and GZB are co-operating with German, French and U.S. banks in the operation of the International Bank for Foreign Trade. Since the mid-1960s about a dozen important U.S., French, Japanese and Canadian banks have opened branch offices in Vienna.

The internationalisation of Austrian banking is also reflected in the aggregate balance-sheets of the major

credit institutions. The proportion of foreign assets and liabilities has increased from a mere 1 per cent in 1960 to 7.7 per cent in 1970 and to 15.7 per cent last year.

Yet it is regarded as somewhat disappointing that among Luxembourg's over 100 foreign operators not one single Austrian bank can be found and that Creditanstalt's laborious efforts to open a bank branch in this important Euro-business centre have still not been able to overcome the resistance of the high-powered bureaucrats, at the National Bank, the central bank. Meanwhile, Girozentrale has announced its intention of opening a full subsidiary in London, the first Austrian bank to do so. Laenderbank has had a London representative office for the past two years but Girozentrale is seeking to follow up the opening of a representative office in September with its transformation into a proper branch in London within a year or so.

Despite the growth of foreign business and the number of foreign shares quoted on the small Vienna Bourse, the Austrian capital has still a very long way to go towards regaining its earlier reputation as a truly international financial centre. So long as the Austrian bureaucrats and their Socialist masters do not come forward with more imaginative ideas and less hefty taxes, charm and improvisation alone will not suffice to attract international holding and finance companies or fulfil more ambitious functions in European commerce and banking.



Vienna has seen a remarkable growth in the banking sector in recent years. Above: The Central Bank, on Herren Gasse



President Jimmy Carter and Mr. Leonid Brezhnev, the Soviet president, together in Vienna before they signed the SALT 2 agreement in June. The city's role on the world stage is increasing

World role in science

IT IS no accident that the largest UN conference ever organised on the complex problems involved in the application of science and technology at international, national and regional levels (called in the conference program "UNICSTY") is being held in Vienna from August 20 to 31. The conference, preceded by a three-day meeting of some 300 scientists (the Advisory Committee on the Application of Science and Technology for Development), will bring about 5,000 experts and supporting staff from 125 countries to Vienna. But the choice of the Austrian capital for one of the most important international meetings dealing with themes of Global significance also marks a major symbolic step forward on the road towards the emergence of Vienna as a scientific-research centre of the United Nations.

At the same time the key subject of technology transfer to the developing countries, which account for three-quarters of the world's population but have only a 4 per cent share in the worldwide research and development, is closely related to the activities of the specialised agencies of the UN and other international organisations in Vienna. The oldest is the International Atomic Energy Agency (IAEA), headquartered in the city since 1957 and headed by Dr. Sigvard Eklund of Sweden. It has been providing invaluable assistance for the peaceful use of nuclear energy and the international control of the non-proliferation of nuclear arms. Seventy of the 105 non-nuclear powers have concluded a safeguards agreement with IAEA.

The other major international body which moves into the new international centre is the United Nations Industrial Development Organisation (UNIDO), whose executive director is Dr. Abdel Rahman Khateb from Algeria. UNIDO, set up by the UN General Assembly in November 1966, had up to the end of last year channelled \$370m in technical assistance in the develop-

ment of new bank branches. The main function of the organisation and its 1,000-strong staff is to encourage the industrialisation of the developing countries. It is hoped that UNIDO will be able to increase by 50 per cent to the tune of \$176m its technical assistance in 1980-81 compared to the 1978-79 period.

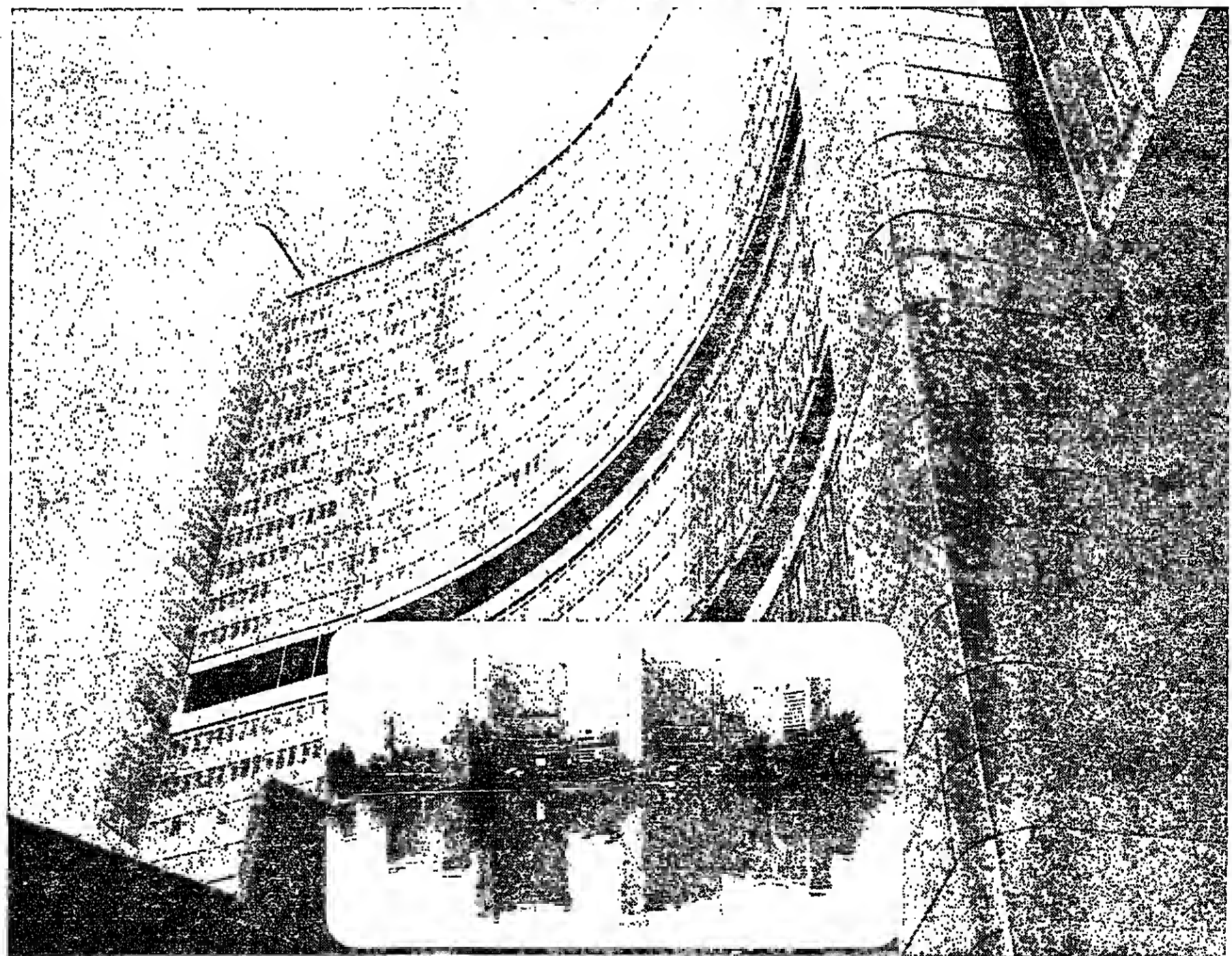
In a recent newspaper interview Dr. Kurt Waldheim, Secretary-General of the UN, for the first time sketched out his vision of the future functions of New York, Geneva and Vienna as UN centres. While New York remains the political headquarters and Geneva houses mainly the economic organisation of the UN, Vienna will emerge primarily as the scientific-technological centre. Dr. Waldheim specifically referred to the fact that the IAEA and



Dr. Hertha Firnberg: driving force

UNIDO already deal with the technology transfer to the developing countries. Progress towards making Vienna an international stronghold of science and research was vastly accelerated by the creation of an independent Ministry of Research and Science in 1970, which ever since has been headed by Dr. Hertha Firnberg, who is also deputy chairman of the ruling

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Vienna International Centre

Opening on 23 August 1979

Vienna, the Third Headquarters of the United Nations

On 23rd August 1979 the Vienna International Centre is to be opened. This will be an auspicious date not simply for Austria but for the international community as a whole: for it will mean that the United Nations Organisation thereby acquires a third headquarters—after New York and Geneva—and will thus be in a position to carry on its activities in the service of world peace and development with even greater energy than to date.

Austria, a small neutral republic at the very heart of Europe, has for decades been playing an actively committed role as a member of the United Nations and its organisations. Again and again it has been—and continues to be—chosen as the location for important UN conferences and as the setting for summit meetings. Some of the large international organisations, such as the IAEA—the International Atomic Energy Agency—and the UNIDO—the United Nations Industrial Development Organisation—have had their headquarters in Vienna for many years now. It was with these organisations in mind—and with other international agencies which may be transferred here at a later date—that the Republic of Austria and the City of Vienna between them financed the building of the "UNO City", as the International Centre is popularly known. The building will provide office and conference facilities for some 4,600 people and from August onwards will be put at the disposal of the international organisations for a nominal annual rent of one Austrian schilling.

The premises of the "UNO City" are further planned to house an Austrian Conference Centre with a total capacity of almost 6,000 people, to be available for use around the mid-1980s.

Austria: a Nucleus of Stability in Central Europe

The Vienna International Centre is located in one of Europe's—if not the world's—most stable countries politically, economically and socially. It is largely by virtue of the eminently sensible democratic instincts which the Austrians as a people evince and their readiness to co-operate at home and abroad that this country was able to evolve into a nucleus of

equilibrium and prosperity in Central Europe, at the meeting-place of East and West.

The gross national product has been increasing at a steady rate and between the years 1970 and 1978 grew from £12,675 million to £28,722 million. It is this, together with a smoothly-running system of balanced interests in wages and salary negotiations, which has maintained full employment and a growth of real income. With an unemployment rate which has never exceeded 2.9% since 1960 and which even during the last world-wide recession between 1974 and 1978 remained below 2.1%, Austria has achieved a degree of social stability unheard of in most countries of the world. The strike statistics for Austria show that over the last five years the time lost through strikes annually per employee never totalled more than two minutes and in fact between 1975 and 1978 amounted to only seconds or fractions of a second!

It would, however, be wrong to suppose that Austria—like a number of countries—has maintained its full employment and economic expansion at the expense of stability—or in other words by settling for a higher rate of inflation. The years from 1975 to 1978 actually saw a drop in the increase of the consumer price index from 8.4% to 3.6%. The April 1979 figure—with a price index increase of a mere 3.3% over the same month of last year—puts Austria second only to Switzerland in price stability amongst Western countries.

A Balanced Democracy

The high degree of economic and social stability in Austria has also brought about a strengthening of the moderate political groupings. No limitation of democratic freedom has been necessary to prevent extremist elements, be they of a left or right wing character, from intruding upon the internal political scene. Over the last 30 years Austria has seen not one governmental crisis. In the context of so balanced a parliamentary democracy, public life in Austria is characterised by a high degree of security and order. Terrorism is not an internal issue here, nor does one encounter crime or the problems of juvenile delinquency to a greater extent than in any other normal society.

Internal security and the consensus of the country's various political groups as regards foreign policy: these factors make it possible for Austria to co-operate in all quarters

within the framework of its status of permanent neutrality. One of the pioneers of European economic unity, Austria is a full member of EFTA and is affiliated to the EEC by a bilateral free trade area agreement. Austria's commercial relations with the COMECON countries are laid down by long-term bilateral trade agreements.

Mediator between East and West

The Austria of today can look back over centuries of intercourse with the nations of Eastern and South-Eastern Europe. The benefit of this is reaped not only by Austria itself in its trade with this area: the know-how which the commercial experts here have acquired in their trade relations with the countries of COMECON is freely available to Western firms, which are tending more and more to open their own branch offices in Vienna.

Thus, Austria has developed into a commercial meeting-place of East and West and an important transit country. Channels of commodities and energy supplies from West to East and East to West pass through the Danube Republic: in 1978, 25.6% of Austria's total trade with COMECON countries was accounted for by West-East transit trade, 15.7% by transit trade in the other direction.

Pioneer of International Co-operation

Since the early days of organisations, such as GATT, which are designed to further world-wide economic co-operation, Austria has made a stand for more liberal trading conditions both amongst the industrialised nations and between these and the countries of the Third World. With a large number of commodities imported from developing countries, Austria is extremely liberal in its import regulations and, in turn, exports to these same countries both capital and know-how as part of its North-South contacts. This is yet another reason why Vienna was selected as a suitable location for a number of internationally significant organisations related to the sectors of industrial development, overseas aid and energy. With the inauguration of the Vienna International Centre and the consequent possible transfer of further UN agencies to Austria, Vienna and the country as a whole will be in an even better position to fulfil their role as international mediator.

VIENNA IV

Campaign to attract more tourists

ONLY A few weeks before the great events—the opening of the "Jocentre" and the simultaneous holding of the largest ever international conference in the Austrian capital—the Viennese newspaper "Die Presse" carried a short item under the headline "Bad Times for the Viennese Tourist Industry." It quoted Herr Josef Frosch, a well-known caterer and chairman of the Association of the Viennese Tourist Industry, who candidly stated "We can be happy if we scrape through at last year's levels."

The figures show that during the first five months of this year the number of overnight stays was down by 30,000 to 1.3m. In a resolution the Association demanded the reduction of the numerous taxes

on services, the elimination of the special levy on music in restaurants and cafes, the solution of traffic problems and a simpler administration.

Modest

Even allowing for the fact that the tourist industry usually presents its long catalogue of (mainly justified) complaints in the darkest colours, the statistics for a longer period and a glance at recent changes indicate that Vienna and the entire eastern region (including Lower Austria and Burgenland) have a relatively modest share in terms of aggregate intake from tourism. Here too the peripheral position of the eastern region, its distance from Western Europe (the German-

Austrian border is four to five times farther away from Vienna than the crossing points along the Hungarian and Czechoslovak borders) as well as the manifold repercussions of the Communist take-over and the cold war have provided the basis for the lop-sided development between West and East Austria. Thus the eastern share fell from 2.14 per cent of the overnight stays registered in 1951 to a mere 10.9 per cent in 1976.

Even more telling perhaps is the fact that the border crossings in Burgenland and Lower Austria accounted for only 5 per cent of the crossings registered in Austria in 1976. Meanwhile the elimination of the visa procedures for Austrians entering Hungary and for Hungarians

coming to Austria—albeit the latter need as before an exit permit from their own government—may have given a push to the eastern share.

Even so, the days when rich Hungarian nobles or members of the well-off Prague bourgeoisie came to spend their winter or summer holidays in Vienna or on the Semmering in Lower Austria are gone forever. Those who do come to Vienna are either official delegates or tourists chronically short of hard currency who add precious little to Austria's foreign exchange influx from holiday-makers.

As to Vienna's position, the statistics reveal that last year the capital accounted for a mere 3.7m of the 81.8m overnight stays spent by foreign tourists in Austria. This meant only a 0.4 per cent increase on the previous year, whereas Austria as a whole recorded a 3.7 per cent growth in overnight stays by foreign holiday-makers. But Vienna is much more dependent—in proportional terms—on foreign visitors than the rest of the country—tourists from abroad up 86 per cent of the overnight stays as against 75 per cent for the country as a whole.

Share

The Achilles heel of Austrian tourism is the preponderance of German visitors, who accounted last year for 74.3 per cent of all holiday-makers registered in the country. By contrast, in Vienna the German proportion was below 30 per cent. Although the absolute number of U.S. visitors dropped by 18.4 per cent, their share was still 11.3 per cent, much higher than the 1.6 per cent for Austrian tourism as a whole. Similar divergences can be noted in the proportion of British (4.9 per cent), French, Italian and Swiss visitors to the capital, all much higher than the respective national share in percentages of Austrian tourism as a whole.

More important even than the losses caused by the appreciation of the Austrian schilling vis-à-vis the dollar are two factors. First, prices in Vienna and in the country at large have been rising in recent years more than in the principal competitor countries; secondly, the typical holiday-maker stays on average only 2.8 days in the capital as against 5.6 days on a country-wide basis.

On the other hand, all surveys

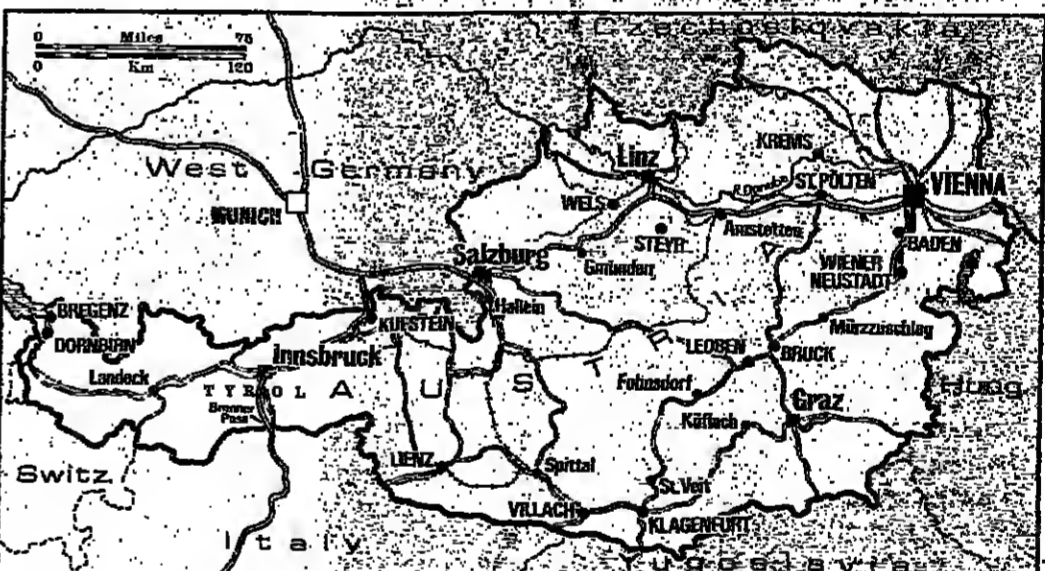


Austria as a whole has had an increase in overnight stays by foreign holiday-makers. Above: the old quarter of Kufstein, near the German border. Below: the resort of Lech in Western Austria.

confirm the predominance of "quality" as against mass tourism, with the average visitor spending more in Vienna than in the rest of the country. This is the reason why the municipal authorities and the tourist and catering industries pin their hopes also on the highly lucrative "congress tourism." Delegates at conferences are estimated to spend 50 per cent more than the normal tourist and stay on average at least four days.

This is partly the explanation for the Government's decision to go ahead with the construction of a vast Austrian congress centre, providing accommodation for 5,900 delegates. Costing Sch 7.5bn, it will be completed by 1985. The opposition People's Party voted against the draft bill, however, because future operating costs and alternative solutions had not been sufficiently explored by the Government. In particular the most attractive convention hall, the Hofburg Congress Centre in the glittering State rooms of the Imperial Palace, will be hit by the opening of the new giant centre on the banks of the Danube.

The calculator's gamble of the erection of yet another centre, however, must be also seen as an investment in security as an added proof of Austria's seriousness in the bid for international recognition. The future of congress tourism will depend of course on the international political and economic situation and the prospects for the UN and its affiliated organisations. But for the average holiday-maker Vienna will remain primarily the city of imperial splendours in the Hofburg and Schoenbrunn, the St. Stephens Cathedral and the Lipizzaner horses of the Spanish Riding School, the Prater and the Giant Wheel, and last but not least the wine gardens of Grinzling and Sievering.



World role

CONTINUED FROM PREVIOUS PAGE

Socialist Party and head of the Socialist Women's Organisation. Dr. Firmberg is not only Europe's longest serving and most experienced Minister of Science. She has been and is the driving force behind the increase of available resources for science and technology and also the democratisation and modernisation of higher education in Austria.

During her tenure of office research and development expenditures has increased from 0.94 per cent of Gross National Product in 1970 to 1.22 per cent of a much larger total, with the Federal Government providing almost 40 per cent of expenditures, the rest being put up by the Länder and industry. In addition to the planning and co-ordination of Government research promotion activities, the Ministry also established priorities and perhaps above all began to make aware both the political and social institutions, the public at large and the mass media of the importance of science and technology to society.

The Austrian National Paper for the Vienna UN Conference on Science and Technology deals extensively with the optimal forms of technological co-operation with developing countries. Separate case studies show concrete examples of co-operation involving Austrian companies and institutions such as a model farm in Tunisia, an irrigation plant on the Ivory Coast and other projects in Ghana, Bolivia and Nigeria. The

admission of 4,188 students from developing countries (37 per cent of all foreign students attending Austrian universities and colleges), the provision of bursaries and scholarships, post-graduate training for academic personnel from the Third World should in future be supplemented by a new idea, namely partnership in research between universities. Details of this proposal are also spelled out in the Austrian National paper for the Vienna Conference.

Status

The neutral status of Austria constitutes an ideal basis for Vienna's role in the North-South and East-West dialogues. It was this special status as well as the personal engagement of Chancellor Kreisky and Dr. Firmberg which induced scientific organisations from 12 West and East European countries to set up in 1973 the International Institute for Applied Systems Analysis (IIASA). Housed in an old baroque palace in Laxenburg (near Vienna) provided and modernised by the Austrian Government, IIASA examines models for the future in energy, raw material and population policies and by now counts 17 member nations. Its chairman is professor J. Griechani of the Soviet Union, and the Executive Director is an American computer specialist, Dr. R. E. Levien.

It goes without saying that Austria's bid for recognition as an international centre of science and research costs a lot of money. The UN Conference on Science and Technology, for example, was made possible by a Sch. 66m (about £2.2m) budget with two-thirds provided by the Federal State and one-third by the Municipality. But there is not much point in

adding up the direct and indirect expenditures, from the hillions spent on the office complex on the left bank of the Danube to the provision of communication centres and other facilities for the various international gatherings. As Chancellor Kreisky succinctly but aptly put it: "a large army would cost us more and bring us less."

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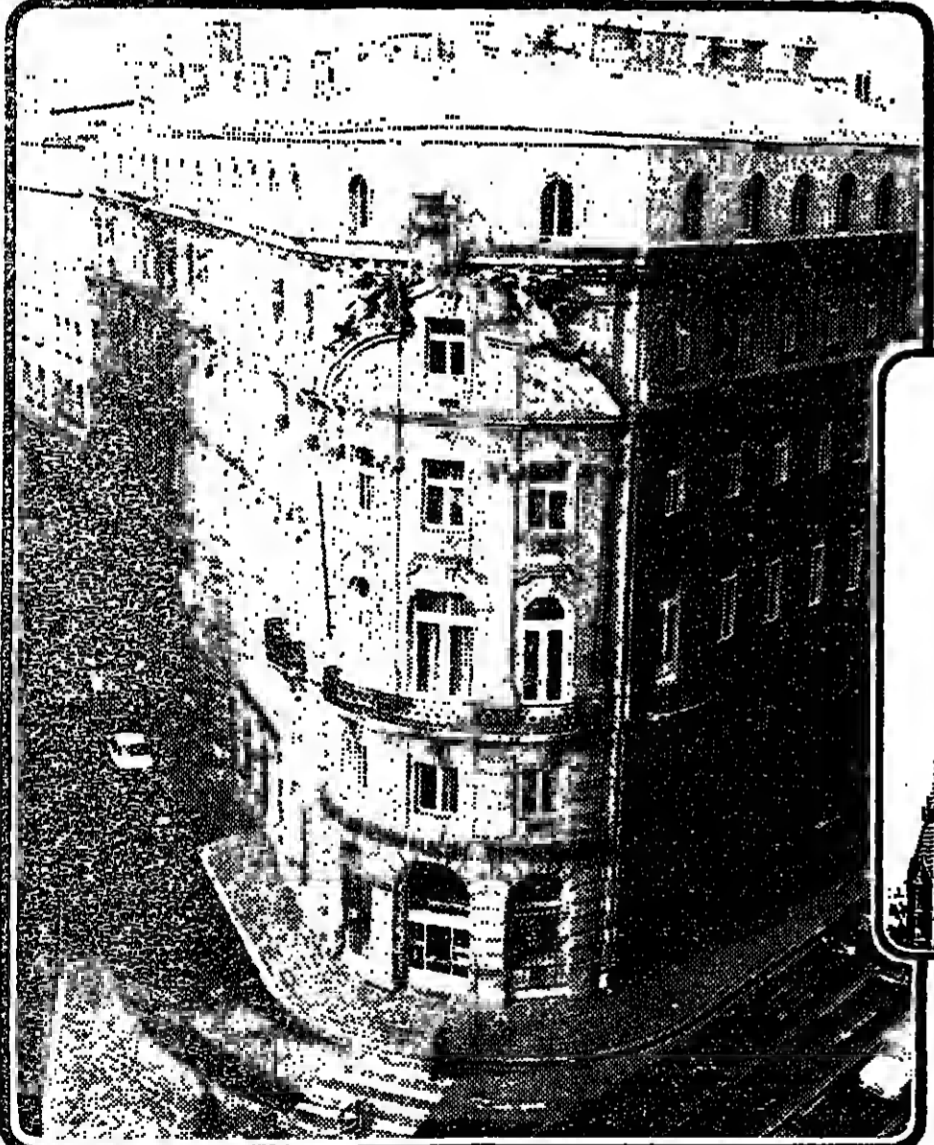
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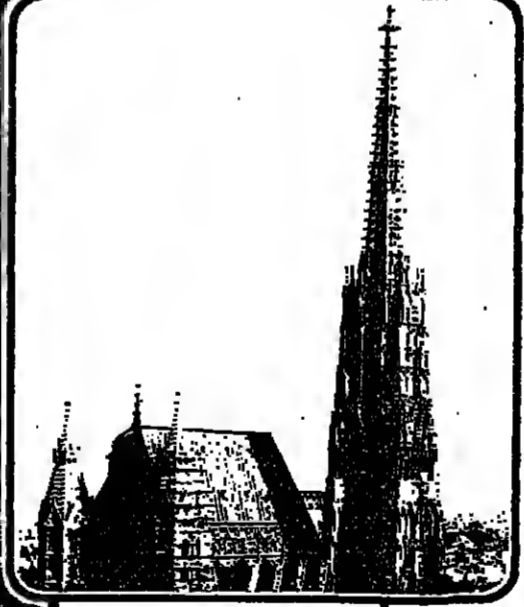
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مركز العمل

Dislike by the provinces

THE AUSTRIAN writer and critic Hans Welge, recently cited in a brilliant essay about the Austrian character, the rhetorical question: "What exactly is the common feature of the Austrians?" And came to the conclusion that there is one single unifying bond: they all

dislike Vienna. Though he hastens to add that the aversion in the provinces is almost nothing compared to the rumbling of the Viennese themselves about their city, the words reflect the latest tensions between traditionally "red," cosmopolitan and far-away Vienna and the eight other provinces, six of which are still governed by a "black" that is conservative, governor.

While it is true that the political factors have become as important as the socialists, under Dr. Bruno Kreisky, have consolidated their dominant position at all elections held in the last nine years, the deeply entrenched animosity, or at the very least indifference tinged with dislike, vis-à-vis Vienna is true of the socialist-governed Carinthia as of the solidly Catholic and People's Party-governed Tyrol.

Folts

As so much in Austria, the relationship between the capital and the provinces is also coloured by the folts caused through the transition from the imperial grandeur early this century to the prosaic existence of a small country with the erstwhile metropolis becoming the "hydropneumatic head" — a capital of 2m for a shrunken state of only 8.5m people in 1979.

Though in the meantime Vienna's population has dropped to under 1.6m, accounting for 21 per cent of the 7.5m inhabitants of the country, the pull of neighbouring Germany and Switzerland and the 10-year Soviet occupation of eastern Austria have accentuated the effects of geographic realities. Who could overlook the simple fact, for example, that Bregenz, the capital of Vorarlberg, is as far away from Vienna as it is Paris?

These, then are some of the reasons for the seemingly surprising initiative taken by the municipality of Vienna. Between June and October this year it has sent a mobile exhibition of 19 cities to force

closer ties between the much-maligned distant capital and the provinces.

Last but not least, the exhibition and a special issue of the city's illustrated monthly Wien Aktuell (a truly excellent guide

to the problems and plans of Austrians in the countryside and in the urban centres that Vienna is not enjoying a privileged position but in fact is putting much more into the central

money bag than the others while receiving less.

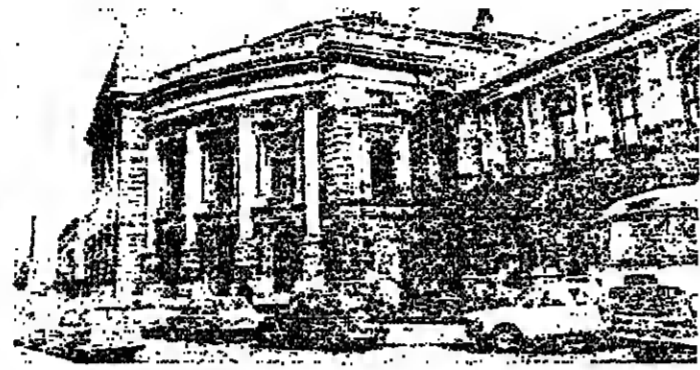
This city councillor Blatz, in charge of finances, recently complained that Vienna is put at a disadvantage in the distribution of the transfer payments

from the Länder to the federal state. According to his figures, for example, almost 500 of the wage tax and Sch 4.850 of the turnover tax collected in Vienna were channelled to other provinces and communities.

As often before, the councillor spoke out in favour of more justice for the Viennese taxpayers, while recognising the need for development aid channelled to economically weaker areas. He suggested the establishment of a "solidarity fund."

Needless to say, the Viennese authorities and publications use every conceivable argument, from the employment of commuters and the awarding of contracts for the Vienna underground, to the subsidies for water regulation and road building in order to prove that the capital is, as it were, exploited.

Image of the Viennese



Part of the city's life: the Burg Theatre

THERE ARE few great cities in the world whose image is so strongly shaped by clichés as Vienna and the attitude of the Viennese to the foreigners. The word "Gemuetlich," for example, is part of the legend, although none of the translations in the dictionary: "good-natured, sanguine, easy-going, kindly, genial, pleasant, cordial, comfortable, tender," and so on, can capture the real meaning of the word.

Yet few foreigners who ever tried to share a crowded tram with Viennese or make their way home by car through the rush-hour traffic held up by innumerable road works and traffic jams would be tempted to speak about the charm and warmth radiated by those in the capital.

But then as the writer Hans Welge so fittingly remarked, there is one unfailing yardstick to measure the integration of a newcomer: "As long as he is enthusiastic, he is a foreigner. As soon as he begins to complain, he has become a native."

The Viennese is a born raucous (grumbler), yet he also resents it if his city is run down by an outsider. The Viennese belong to what the poet Anton Wildgans called "A nation of fiddlers and dancers," still enjoying the plays of Nestroy and Schnitzler, the music of Schubert and Johann Strauss, the "waltz kings," reflecting the twin facets of the Austrian character of gaiety and gravity, joy and sadness.

Few foreigners know, for example, that despite the image of outward gaiety Vienna has one of the highest suicide rates in the world. What the writer Hermann Bahr wrote half a century ago about the Viennese character is still being quoted

as a timeless assessment: "The Viennese is a man profoundly unhappy with himself, who hates the Viennese, but cannot live without them."

The relationship to foreigners is also ambivalent. It is of course partly the result of the curious phenomenon that it is almost impossible to define a Viennese. Their ancestors were more often than not Bohemians and Croats, Hungarians and Ruthenians, Poles and Italians rather than of pure German stock.

Origin

In a recent study on Czech family names in Vienna, based on the detailed investigation of the names of 737,000 inhabitants of the capital (that is just under half of the current population) the author concludes that 193,000 names, that is 27 per cent, are of Czech origin. A glance at the Vienna telephone directory suffices also to reveal a large proportion of Croatian and Hungarian names.

The Viennese and many Austrians living outside the capital are in fact grand-

great-grandchildren of those 753,000 migrants who between 1870 and 1910 came to Austria, primarily to Vienna, from Bohemia, Moravia, Hungary and Croatia. In 1910 35.9 per cent of the then 2.1m inhabitants were born in areas which today do not belong to Austria. By 1971 their proportion had dropped to 15.3 per cent.

Yet a recent film about the new UN office complex and the popular reactions to foreigners revealed the continued existence of deep-seated racial prejudices despite (or perhaps because of) the mixed ethnic origins of the inhabitants.

For instance, it is unlikely that most of the 130,000 foreign residents, let alone the 80,000 foreign workers (whom Austrians and Germans like to call misleadingly "guest workers"), would agree with the findings of a study commissioned by the municipality of Vienna.

A survey among 50 managers of 20 foreign subsidiaries in Vienna is claimed to have produced the result that 90 per cent of those asked regarded the population as being "very

friendly." Occasional articles in popular daily newspapers reflect a xenophobic line, as did some statements in a television documentary recently shown.

Music and theatre offer plenty of scope for another basic element in the Viennese character. Anything controversial or scandalous from the world of opera, theatre or music festivals immediately becomes a subject of impassioned public controversy in a country which spends more money on subsidising the State opera and the National Theatre than on the running of the Foreign Ministry and the entire diplomatic service.

Melancholy

The scandals about squandering of taxpayers' money on what critics regard as non-productive or on alleged kick-backs to the directors of municipal housing and sitting corporations are discussed in great detail in the heurigen, the wine gardens and cellars surrounding Vienna in a large half circle as a wall of fortifications.

"Der Heurigen" is a deeply democratic and time-honoured institution. The wooden benches in the genuine wine gardens are shared by all layers of society. The zither or accordion players play and sing the melancholy and fatalistic Viennese songs, in one way or another always referring to death, to "the end."

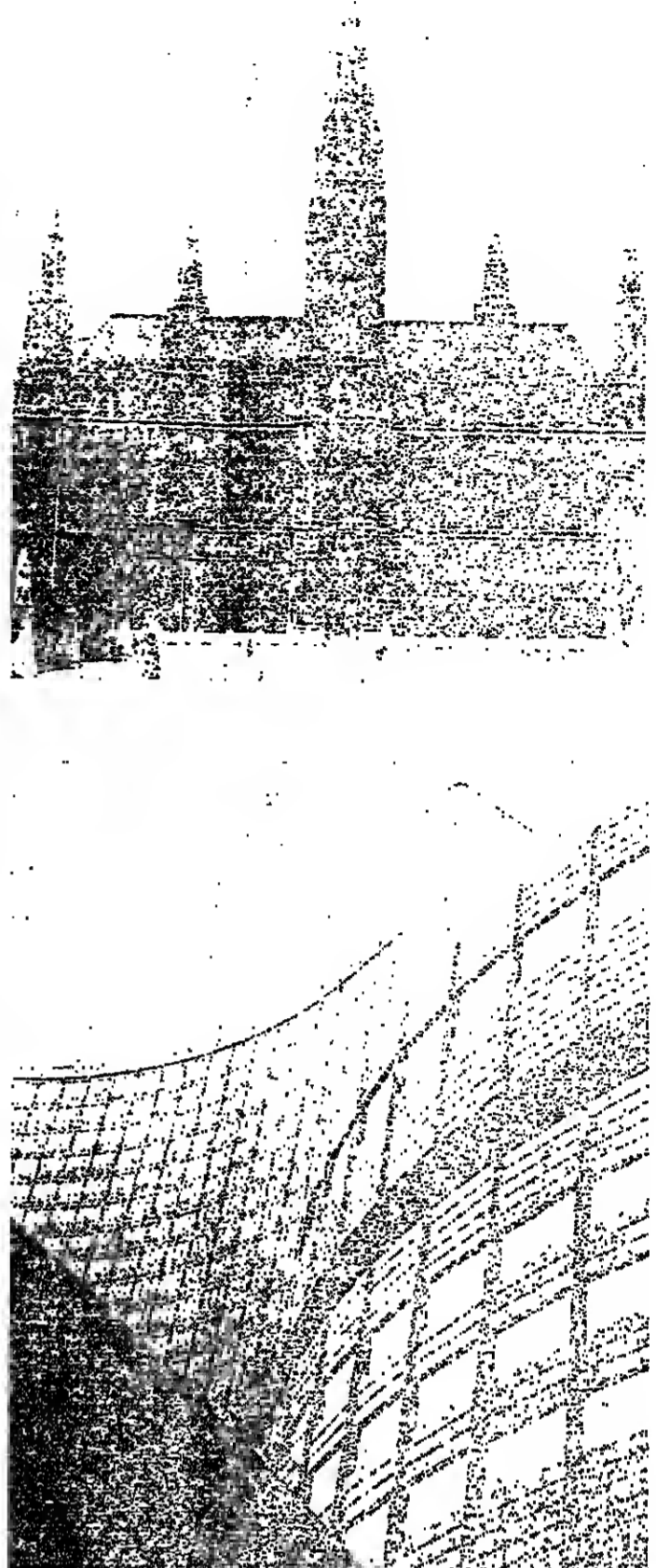
But drinking a glass of the intoxicating new wine, the Viennese people, young and old, prefer to recall the theme of Die Fledermaus, Johann Strauss masterpiece: "Happy is he who forgets what cannot be changed."

Burden

This is of course a double-edged argument since without the 100,000 commuters from the surrounding regions Vienna could not generate the production and investment and by implication also the tax revenues. It should also be recalled that one in four Viennese households has a week-end cottage in the country. Yet at the same time about 18 per cent of the hospital beds are taken by non-Viennese patients, which in turn means an extra burden of Sch300m for the Viennese taxpayer.

Meanwhile, it is interesting to note that while the Viennese make up a very considerable proportion of the overnight stays spent in the provinces by holidaymakers, two out of three Austrian visitors from the countryside come to the capital on business and not as tourists. The provinces of the eastern region—Vienna, Lower Austria and Burgenland—are more closely connected with one another due to the commuters and also to the curious fact dating back to the time 60 years ago when Vienna and Lower Austria were still one region, that Lower Austria's provincial government has its seat also in Vienna.

But there is indeed a wall of ignorance and prejudice still separating many Austrians living in the west, namely, Carinthia, Tyrol and Vorarlberg, and also in Styria and the capital. Therefore the problem is rooted not only in finance but also in deep-seated prejudices against the political and administrative centre which is at the same time situated on the eastern fringes of present-day Austria.



Vienna skyline old and new. Top, the Town Hall and, above, the new international centre

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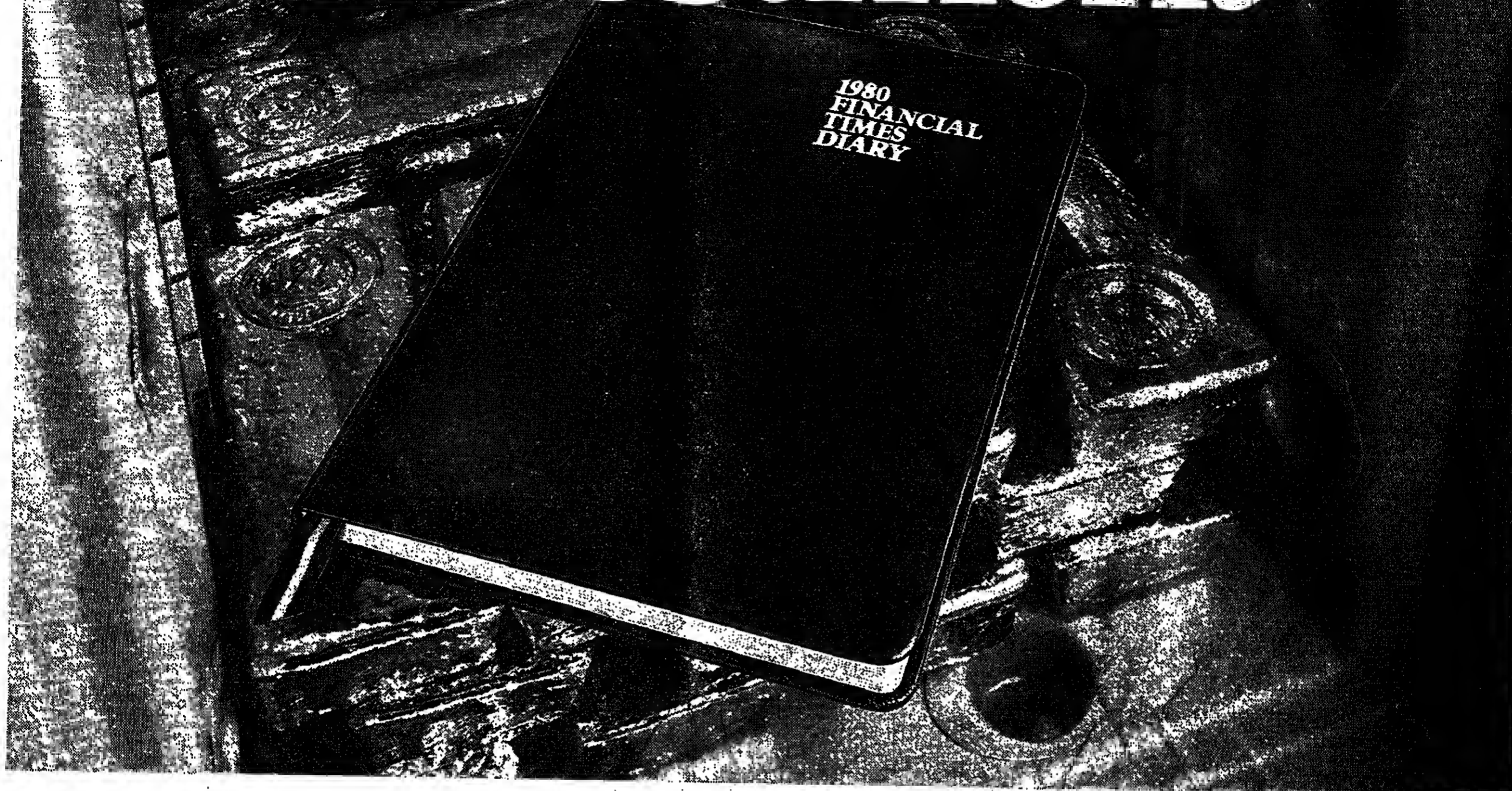


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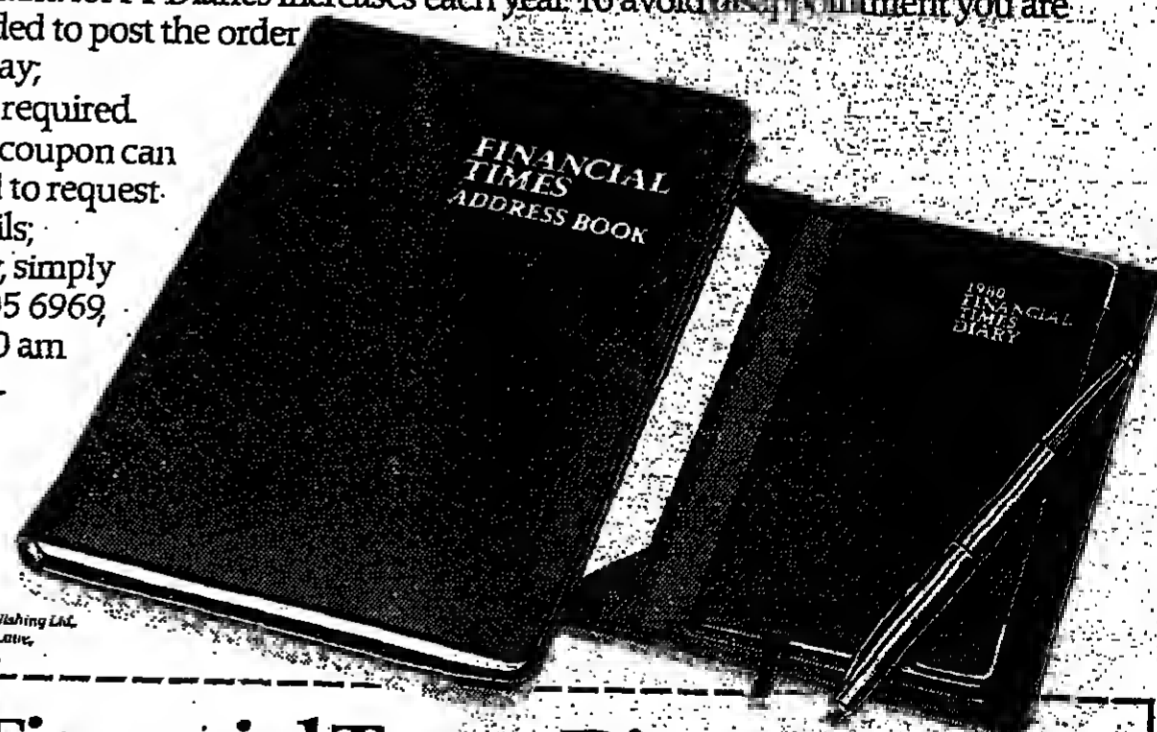
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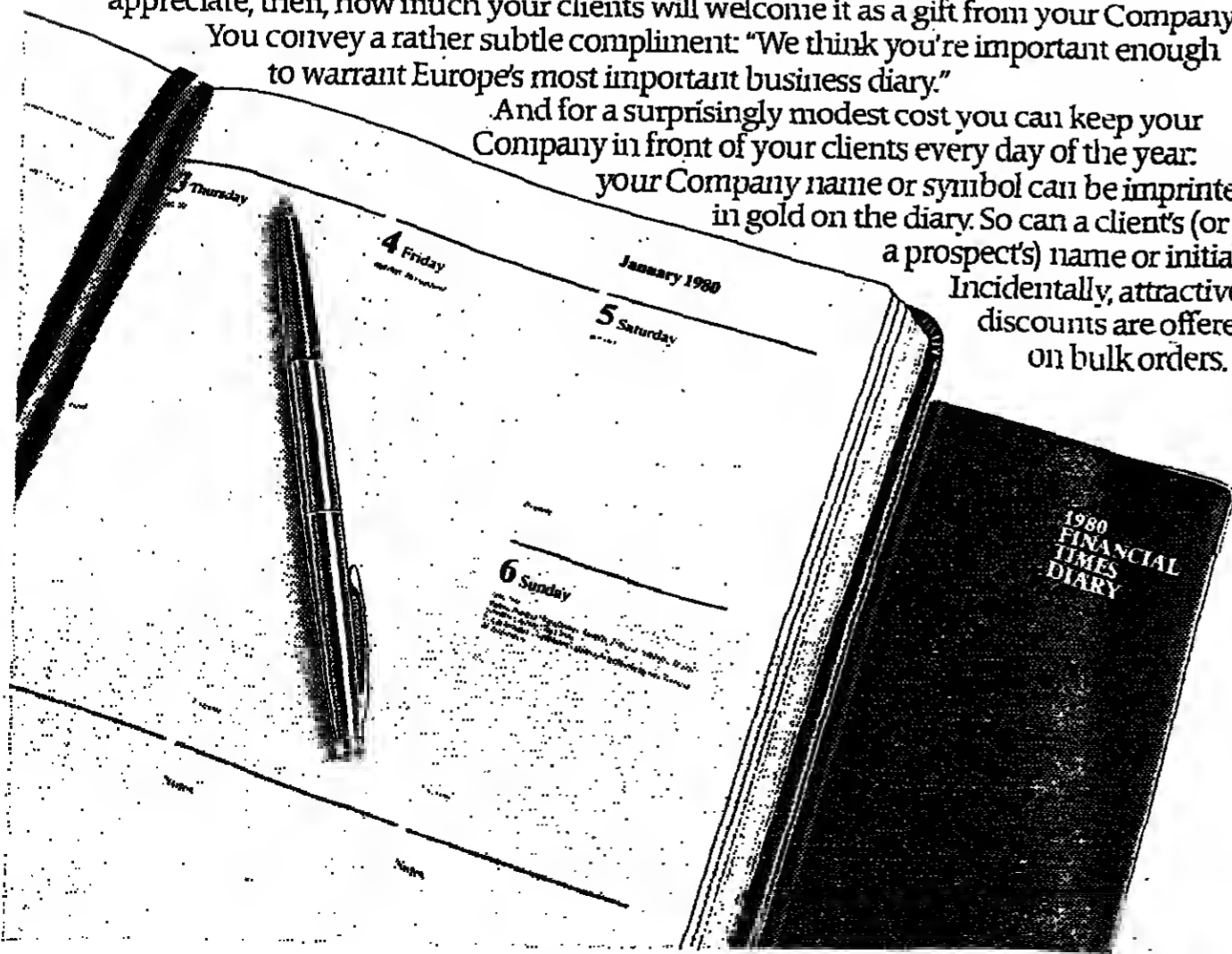
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APPOINTMENTS

Richard Martin to head Ind Coope

Mr. Richard G. Martin has been appointed chairman of IND COOPE from September 3 with overall executive responsibilities... Mr. Michael Nightingale has been appointed vice-chairman and Mr. Robin Hodgson, managing director of M. J. H. NIGHTINGALE AND COMPANY.



Dr. Peter Duncumb

Mr. John Hogg has been appointed general manager of ALBRIGHT AND WILSON INTERTRADE... Mr. N. Nicholas Brait has been appointed vice-president-research for SCUDDER STEVENS AND CLARK.

Mr. Michael Swellman, former assistant general manager of BARCLAYS BANK INTERNATIONAL... Dr. Peter Duncumb has been appointed director of TI Research Laboratories.

Mr. Nicholas Brait has been appointed vice-president-research for SCUDDER STEVENS AND CLARK... Dr. Peter Duncumb has been appointed director of TI Research Laboratories.

CHALLENGE CORPORATION LIMITED

Table with financial data for Challenge Corporation Limited for 1977 and 1978. Columns include Preliminary (Unaudited) results for the year ended 30th June 1979, 1977, and 1978. Rows include Group Trading Income, Profits arising from disposal of surplus assets, and Retained Profits.

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WORLD STOCK MARKETS

Dow drifts 2 points early in active trading

INVESTMENT DOLLAR PREMIUM \$2.50 in 21-30% (31%) Effective \$2.185 11% (11%) STOCKS WERE lower as the market continued to consolidate recent gains.

Volume was 3,333,343 shares compared with 3,033,359 in the previous session. To Montreal share prices were higher to active trading as the Composite Index rose over a point and all leading indices advanced.

The second market closed firmer in active trading, with a volume of 12m shares. Switzerland News of yesterday's hike in time deposit rates by Switzerland's major banks sparked an overdue technical reaction. Prices closed easier on a broad front after opening very steady or higher.

Chase Manhattan Bank raised its broker loan rate on Tuesday to 11% and was joined yesterday by several other banks. The Dow Jones Industrial Average was just under two points lower and advanced led declines about seven to five on a volume of about 18m shares at midday.

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Reliance Electric resumed trading off four points to 69 and is now trading off 3 to 59. Active Pitston was up 1 to 24. Pitston said its Brinks subsidiary is completely insured for the \$2m in cash stolen in a New York City robbery on Tuesday.

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Table with columns: Stock, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1. Lists various stocks and their price movements.

Table with columns: Stock, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1. Lists various stocks and their price movements.

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Indices

Table showing indices for NEW YORK - DOW JONES, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing STANDARD AND POORS indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing H.Y.S.E. ALL COMMON indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing MONTREAL indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing JOHANNESBURG indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing AUSTRALIA indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing TOKYO indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing BRUSSELS/LUXEMBOURG indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing AMSTERDAM indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing COPENHAGEN indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing VIENNA indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing SWITZERLAND indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing MILAN indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing PARIS indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing STOCKHOLM indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing JOHANNESBURG MINES indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing AUSTRALIA STOCKHOLDING indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing TOKYO STOCKHOLDING indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table showing BRUSSELS/LUXEMBOURG STOCKHOLDING indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

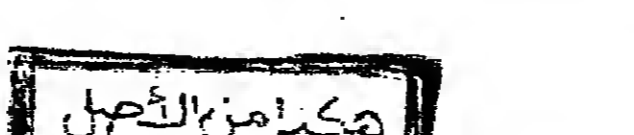
Table showing AMSTERDAM STOCKHOLDING indices, with columns for dates from Aug 21 to Aug 10 and values for various indices.

Table titled 'EUROPEAN OPTIONS EXCHANGE' showing various options contracts with columns for Series, Vol., Last, and Stock.

Table titled 'BASE LENDING RATES' showing various bank lending rates with columns for Bank Name, Rate, and Date.

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Markets featured only by advance in Gold shares Industrial leaders inclined harder but Gilts ease

Account Dealing Dates
Option
First Declared Last Account Dealings

With the exception of Gold shares, which moved ahead quite sharply in response to the record bullion price and of Australian mining exploration issues, better after domestic tax concessions, stock markets traded in extremely quiet fashion yesterday.

Interest in equity markets continued to be stifled by the prevailing uncertainty about the UK economic outlook, while buyers were also restrained awaiting today's half-yearly statement from ICI.

30-share index, which closed 1.2 up at 465.7, after having shown a modest loss of 0.7 at the 10 am calculation.

Trading statements from two index constituents, BOC International and London Brick, proved unexciting.

Among the equity sectors, Properties, which sustained losses ranging to 5 in the leaders following adverse Press mention about rents and asset valuations, provided one of the few areas worthy of note.

Gains in Gold shares ranged to a point and sometimes more and the Gold mines index jumped 10.3 to 180.8. The sharp rise in the price of bullion followed the latest U.S. Treasury statement from ICI.

and acquired 720,000 ounces. Trade in Government stocks was uninspiring and the longer maturities drifted lower after having opened at the previous evening's slightly cheaper levels.

A colourless session in the investment currency market ended with the premium 1/8 easier at 304 per cent.

The expiring August series provided a rare boost to business in the Traded option market with a total of 1,117 contracts completed.

Overseas issues provided the focal points in the banking sector. Reports of an oil find off the south coast of Eire by the U.S. concern Marathon Petroleum induced demand for Irish issues and Allied Irish put on 7 to 12 1/2p.

the first-half results are due next Wednesday. Awaiting today's interim results, ICI initially slipped to 336p before renewed demand lifted the price to 340p for a gain of 3 on balance.

House of Fraser down
Sporadic offerings in the absence of any support made for another dull day in the Store leaders.

Victor Products, up 5 at 143p, after 145p, was the only good preliminary result, provided the main feature in an otherwise subdued Engineering market.

Overseas issues provided the focal points in the banking sector. Reports of an oil find off the south coast of Eire by the U.S. concern Marathon Petroleum induced demand for Irish issues and Allied Irish put on 7 to 12 1/2p.

LONDON TRADED OPTIONS table with columns for Option, Ex'ce, Closing price, Vol., Closing offer, Vol., Equity close

Insurances moved higher in placea but the volume of business was small. GRE, 245p, and Knyals, 343p, gained 6 pence.

Standing 1 1/2 higher awaiting the interim figures, London Brick gave ground on the announcement of substantially reduced profits and finished 1/2 cheaper on balance at 64p.

Shipments ended with an easier sea. Ocean Transport improved a fraction on Tuesday, but on further consideration of the dividend warning, contained in today's mid-term results, slipped to close a net 3 off at 81p.

Confirmation of discussions in progress between Imperial and Bats aimed at the latter acquiring the former's 50 per cent holding in Mardon Packaging, thought to be valued at around £37m, left Bats 3 up at 281p.

NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS Mitsubishi Electric Corporation

NOTICE IS HEREBY GIVEN to the holders of the 7 1/2% Convertible Sinking Fund Debentures due March 31, 1991 (the "Debentures") of Mitsubishi Electric Corporation (Mitsubishi Denki Kabushiki Kaisha), a Japanese corporation (the "Company"), that pursuant to Article Four of the Indenture, dated as of January 1, 1976, between the Company and The Bank of Tokyo Trust Company, as Trustee (the "Trustee"), the Company has decided to redeem on September 28, 1979 all Debentures then outstanding in accordance with the provisions of the last clause of the fifth paragraph of the form of the Debentures.

The price at which the Debentures will be redeemed will be 105 1/2% of the principal amount thereof and will be U.S. \$1.05 per Debenture. In addition, the Company will pay on redemption of the Debentures interest accrued to September 28, 1979, in the amount of U.S. \$37.00 per Debenture.

The principal office of any of the following Paying Agents: The Bank of Tokyo Trust Company in New York, Morgan Guaranty Trust Company of New York in Brussels, The Chase Manhattan Bank N.A. in Paris, The Chase Manhattan Bank N.A. in Frankfurt/Main, The Bank of Tokyo, Ltd. in London, The Bank of Tokyo (Holland) N.V. in Amsterdam, Union Bank of Switzerland in Basel, and Union Bank of Switzerland in Zurich.

From and after September 28, 1979 interest on the Debentures will cease to accrue, and the right to convert the Debentures into shares of Common Stock of the Company (or Depository Shares representing shares of Common Stock, as evidenced byBearer Depository Receipts) will terminate at the close of business on September 28, 1979.

The Debentures may be converted into shares of Common Stock of the Company (par value of Yen 50 per share) or at the option of the holders into Depository Shares and Receipts therefor at the conversion price with Debentures taken at their principal amount translated into Japanese yen at the rate Yen 305.68 equals U.S. \$1 of Yen 116 per share of Common Stock. Each Debentureholder who wishes to convert his Debentures should deposit his Debentures, together with all unexpired coupons and a written notice to convert (the form of which notice is available from any of the Paying Agents), with the principal office of any of the Paying Agents specified above.

MITSUBISHI ELECTRIC CORPORATION By: The Bank of Tokyo Trust Company As Trustee Dated: August 8, 1979

LEADERS AND LAGGARDS

Table showing percentage changes in the principal equity sections of the FT Actuaries Share Indices. Includes Property, Food Retailing, Stores, Merchant Banks, Electronics, etc.

ACTIVE STOCKS

Table of Active Stocks with columns for Stock, Denomina, Closing price, Change, 1979, 1978

RECENT ISSUES

Table of Recent Issues with columns for Issue Price, Amount, Date, Stock, Opening Price, Div. Yield, etc.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks with columns for Issue Price, Interest, Date, Stock, Opening Price, etc.

"RIGHTS" OFFERS

Table of Rights Offers with columns for Issue Price, Latest Return, Date, Stock, Opening Price, etc.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. g Assumed dividend and yield. f Forecast dividend based on previous year's earnings. Dividend and yield based on prospectus or other official estimates for 1979. O Green. Figures assumed. i Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. j Pleading prior to public. k Faces unless otherwise indicated. l Issued by way of capitalisation. m Introduced. n Issued in connection with reorganisation, merger or takeover. o Introduction. p Issued to former preference holders. q Attachment letter (or letters). r Provisional or partly-paid allotment letters. s With warrants. t Unlisted security. u Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FINANCIAL TIMES STOCK INDICES table with columns for Index, Aug 22, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, 1978-1979

HIGHS AND LOWS FOR 1979 table with columns for Index, High, Low, High, Low, Aug 22, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, 1978

NEW HIGHS AND LOWS FOR 1979 table with columns for Index, High, Low, High, Low, Aug 22, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, 1978

OPTIONS table with columns for Index, High, Low, High, Low, Aug 22, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, 1978

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

EQUITY GROUPS & SUB-SECTIONS table with columns for Index, High, Low, High, Low, Aug 22, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, 1978

FIXED INTEREST PRICE INDICES

Table of Fixed Interest Price Indices with columns for Index, High, Low, High, Low, Aug 22, Aug 21, Aug 20, Aug 19, Aug 18, Aug 17, Aug 16, Aug 15, Aug 14, Aug 13, Aug 12, Aug 11, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, 1978

Vertical text on the right edge of the page, possibly a page number or reference.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Friends Provident Unit Trust, National and Commercial, and others, with columns for name, manager, and performance metrics.

Table listing insurance and property bonds, including Abbey Life Assurance Co. Ltd., Crown Life Assurance Co. Ltd., and others.

Table listing mutual trust managers and related financial entities, such as Rightfield Management Ltd., Reichhold Asset Management, and others.

OFFSHORE & O'SEAS FUNDS

Table listing offshore and overseas funds, including Alexander Fund, Allen Harvey & Ross Inv. Mgt. Co., and others, with columns for name, manager, and performance.

NOTES: This section contains explanatory text regarding the data presented in the unit trusts table, including details on currency and performance metrics.

NOTES: This section contains explanatory text regarding the data presented in the insurance and property bonds table.

NOTES: This section contains explanatory text regarding the data presented in the mutual trust managers table.

NOTES: This section contains explanatory text regarding the data presented in the offshore and overseas funds table.

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FOREIGN BONDS & RAILS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various international bonds and rail securities.

AMERICANS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various American domestic securities.

CANADIANS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various Canadian securities.

BANKS AND PRICE PURCHASE

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various bank and price purchase securities.

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BANKS & HP—Continued

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various bank and HP securities.

BEERS, WINES AND SPIRITS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various beer, wine, and spirit securities.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various building, timber, and road securities.

COMMONWEALTH & AFRICAN LOANS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various commonwealth and African loan securities.

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CHEMICALS, PLASTICS—Cont.

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various chemical and plastic securities.

DRAPERY AND STORES

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various drapery and store securities.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various building, timber, and road securities.

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ENGINEERING—Continued

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various engineering securities.

DRAPERY AND STORES

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various drapery and store securities.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various building, timber, and road securities.

COMMONWEALTH & AFRICAN LOANS

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Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various food and grocery securities.

HOTELS AND CATERERS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various hotel and caterer securities.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various building, timber, and road securities.

COMMONWEALTH & AFRICAN LOANS

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various commonwealth and African loan securities.

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FOOD, GROCERIES, ETC.

Table with columns: 1979 High, 1979 Low, Stock, Price, Div. Yield, etc. Lists various food and grocery securities.

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INDUSTRIALS—Continued
Table listing various industrial stocks with columns for stock name, price, and other financial metrics.

INSURANCE—Continued
Table listing various insurance stocks with columns for stock name, price, and other financial metrics.

PROPERTY—Continued
Table listing various property-related stocks with columns for stock name, price, and other financial metrics.

INVESTMENT TRUSTS—Cont.
Table listing various investment trusts with columns for trust name, price, and other financial metrics.

FINANCE, LAND—Continued
Table listing various finance and land-related stocks with columns for stock name, price, and other financial metrics.

MINES—Continued
Table listing various mining stocks with columns for stock name, price, and other financial metrics.

INSURANCE
Table listing various insurance stocks with columns for stock name, price, and other financial metrics.

PROPERTY
Table listing various property-related stocks with columns for stock name, price, and other financial metrics.

TRUSTS, FINANCE, LAND
Table listing various trusts, finance, and land-related stocks with columns for stock name, price, and other financial metrics.

FINANCE
Table listing various finance-related stocks with columns for stock name, price, and other financial metrics.

FINANCE
Table listing various finance-related stocks with columns for stock name, price, and other financial metrics.

DIAMOND AND PLATINUM
Table listing various diamond and platinum-related stocks with columns for stock name, price, and other financial metrics.

REGIONAL MARKETS
Table listing regional market data with columns for region, stock name, price, and other financial metrics.

